



Farm Business Survey

2006/2007

Horticulture Production in England (Horticultural Business Data)



Richard Crane and Rod Vaughan



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Horticulture Production in England¹

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Foreword to the Second Series

Launched in 2007, the farm types and enterprise reports based on the results of the Farm Business Survey (FBS) for England have quickly become established as the authoritative data source for a wide range of agricultural enterprises. The second series of reports builds upon the first by providing data for the most recent FBS accounting year (2006/07) and expanding the series coverage by including information on lowland grazing livestock production in addition to incorporating the well-established Horticultural Business Data report under its new title of Horticultural Production in England within this new series. Produced by Rural Business Research, a leading independent consortium comprising the Universities of Cambridge, Newcastle upon Tyne, Nottingham and Reading, and Askham Bryan, Duchy and Imperial Colleges, the reports draw directly upon the highly regarded annual Farm Business Survey financed by Defra.

These detailed reports, available via Rural Business Research's on-line service, www.ruralbusinessresearch.co.uk complement the comprehensive Farm Business Survey Reports for Government Office Regions published at www.farmbusinesssurvey.co.uk. As with the first series, Rural Business Research aims, via these reports and its other data and results services, to provide timely and relevant information to farmers, consultants, advisers and other organisations and individuals interested in farming and land management. Our expertise in independent research, data and analysis ensures that we understand the needs of the different agricultural and horticultural sectors. The reports have been thus developed to capture

the issues of direct relevance to the farm type or sector presented whilst ensuring consistency in the treatment and presentation of key data and results. Building upon developments in the FBS, a key performance result of direct relevance to all sectors is the new headline income measure of Farm Business Income (FBI) which provides a financial accounting return measure and represents the return to unpaid labour and capital invested in the farm business, including land and farm buildings. It incorporates the four revenue and cost centres of farm businesses, these being i) agricultural production and agricultural diversification, ii) agri-environmental activity, iii) single farm payment and iv) non-agricultural diversification. We believe the FBI measure further enhances the results provided by the reports in the series, enabling readers to view the results within a financial accounting context.

As we present these results in the Spring of 2008, the industry is undergoing a period of change, with enhanced prices in some sectors considerably improving profitability, whilst for others, increased costs are leading managers to further analyse the performance of their enterprises and overall business. One issue common across all sectors is that the need for independent data upon which to base decisions remains a key tool to successful business management; Rural Business Research's outputs, incorporating this series, continue to lead the way in providing this independent data.

Prof. Martin Seabrook

(Chief Executive, Rural Business Research)

Acknowledgements

Rural Business Research thanks sincerely all those farmers who have voluntarily provided records and information on which the annual Farm Business Survey, and this report, is based.

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Department for Environment, Food and Rural Affairs and is Crown Copyright.

The views expressed in this publication are those of the authors and are not necessarily shared by other members of the University or by the University as a whole.

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SECTION 1: THE HORTICULTURAL SECTOR

1.1 Introduction

This section of the report gives an overview of the horticultural sector, showing the main components of horticultural output. The data is displayed over several periods of time, to show how the output and area of each sector of horticulture

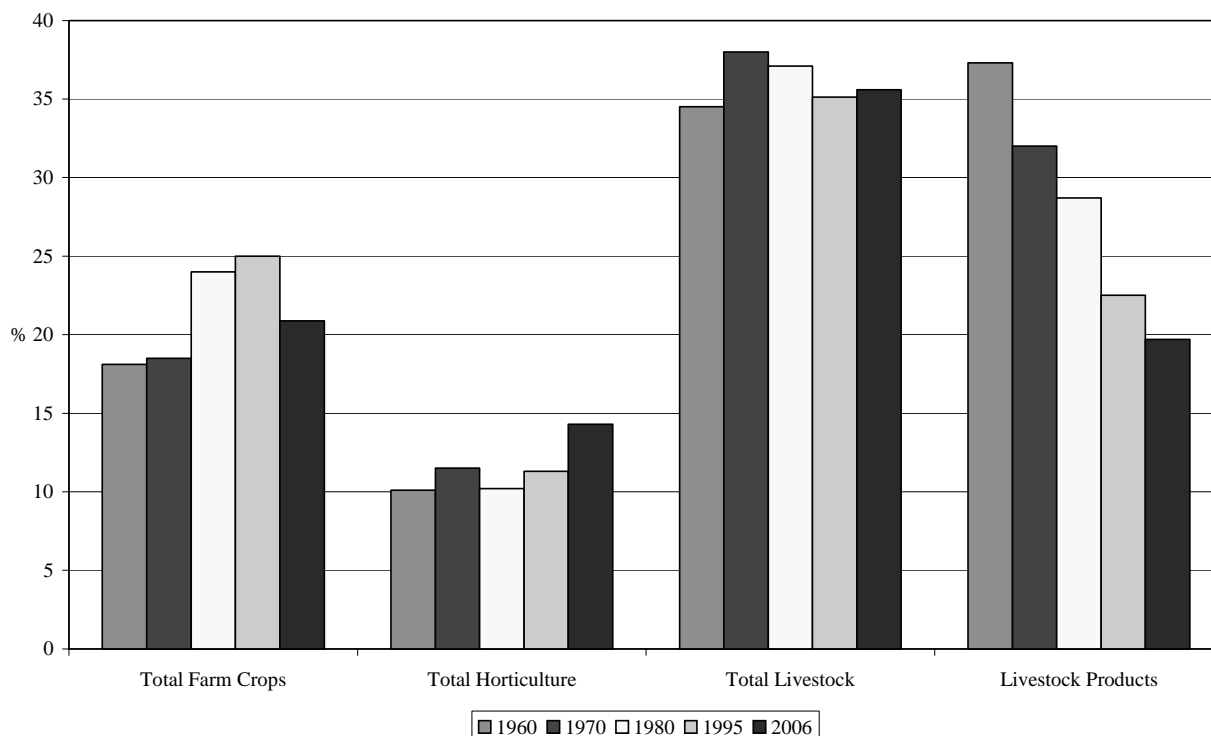
has changed. This section also looks at the value of imports and exports of horticulture, producer and production prices, and finally, the regional importance of horticulture.

1.2 The contribution of horticulture to UK agricultural output

Horticulture's share of total agricultural output has increased by 4% over the last forty five years, and in 2006 was 14.3% of total agricultural output in the UK. In monetary terms, the latest figures for home produced horticultural crops produced in the UK came to £2,107 million. During the same period, other crop output has increased, and is now 20.9% of agricul-

tural output. However, the value of livestock products has fallen and now accounts for only 19.7% of output. Livestock output has been fairly static during the period, and in 2006 amounted to 35.6% of agricultural output. The output from crops and livestock do not include 'Single payment and other decoupled subsidies'.

Figure 1.1 Composition of total UK agricultural output (%)



Source: *Agriculture in the UK*, Defra

1.3 The change in the composition of the main sectors of horticulture (1972-2006)

The following graphs show the three main sectors of horticulture, namely vegetables, fruit and non-edibles (ornamentals).

These three sectors include both field grown and protected crops (crops grown under glass and polythene tunnels).

Figure 1.2 Composition of horticultural output (%)

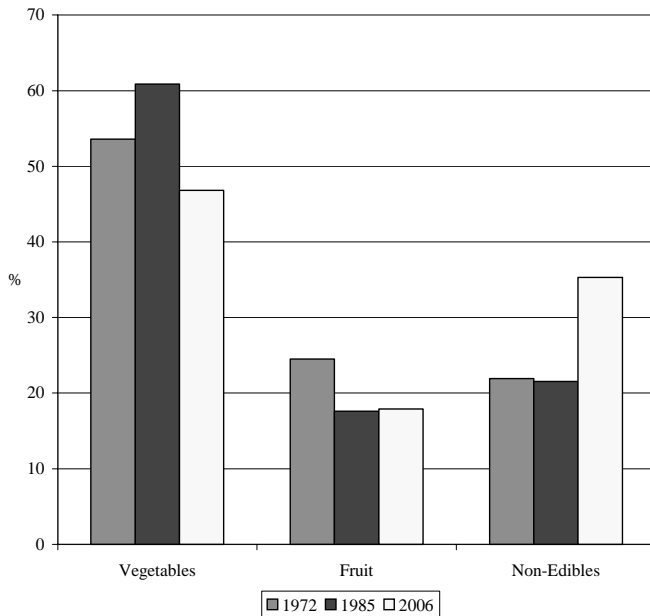


Figure 1.2 shows the composition of horticultural output for the last thirty five years, from the early 1970's up to 2006. In the last twenty years the ornamental sector has increased considerably, and now accounts for 35% of total horticultural output in the UK. However, in the last thirty-five years the fruit sector has declined steadily from 24% in the early 1970's to 18% of total horticultural output by 2006. The vegetable sector accounts for almost half of the horticultural output in the UK, having declined by over 10% in the past twenty years.

Source: *Agriculture in the UK*, Defra

Figure 1.3 Composition of the horticultural area (%)

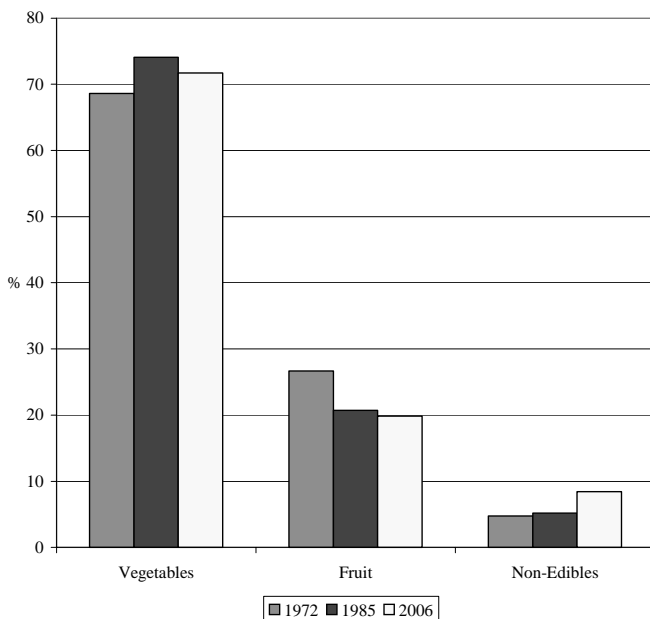


Figure 1.3 shows the composition of the horticultural area for the last thirty five years, from the early 1970's up to 2006. The area relates to the 'planted' area on which crops are grown. For some crops, more than one crop is harvested from the same area of land during the year. When these areas are multiple cropped the area is added into the total area cropped. In the last thirty five years the total horticultural area has declined from 283,000 hectares to 166,000 hectares in 2006, a fall of 40%.

Although the vegetable sector accounts for 47% of the horticultural output in 2006, it uses almost three quarters of the horticultural area. The area of non-edibles is now around 8% of the total horticultural area, although it accounts for 35% of horticultural output. The fruit area, like fruit output, has declined, and is now only 20% of total horticultural area, and 18% of horticultural output.

Source: *Agriculture in the UK*, Defra

1.4 Horticultural production (1997-2006)

Figure 1.4 shows the change in the composition of horticultural output, over the last ten years, divided between the main sectors of horticulture. All the values shown are at current prices.

Figures 1.5 to 1.8 show the areas of the outdoor crops of field scale vegetables, orchard fruit, soft fruit and non-edibles, and protected crops of vegetables, non-edibles and glasshouse fruit. All the areas are in hectares, although the scale in each graph is different. As in the previous section, the area of crops takes account of multiple cropping.

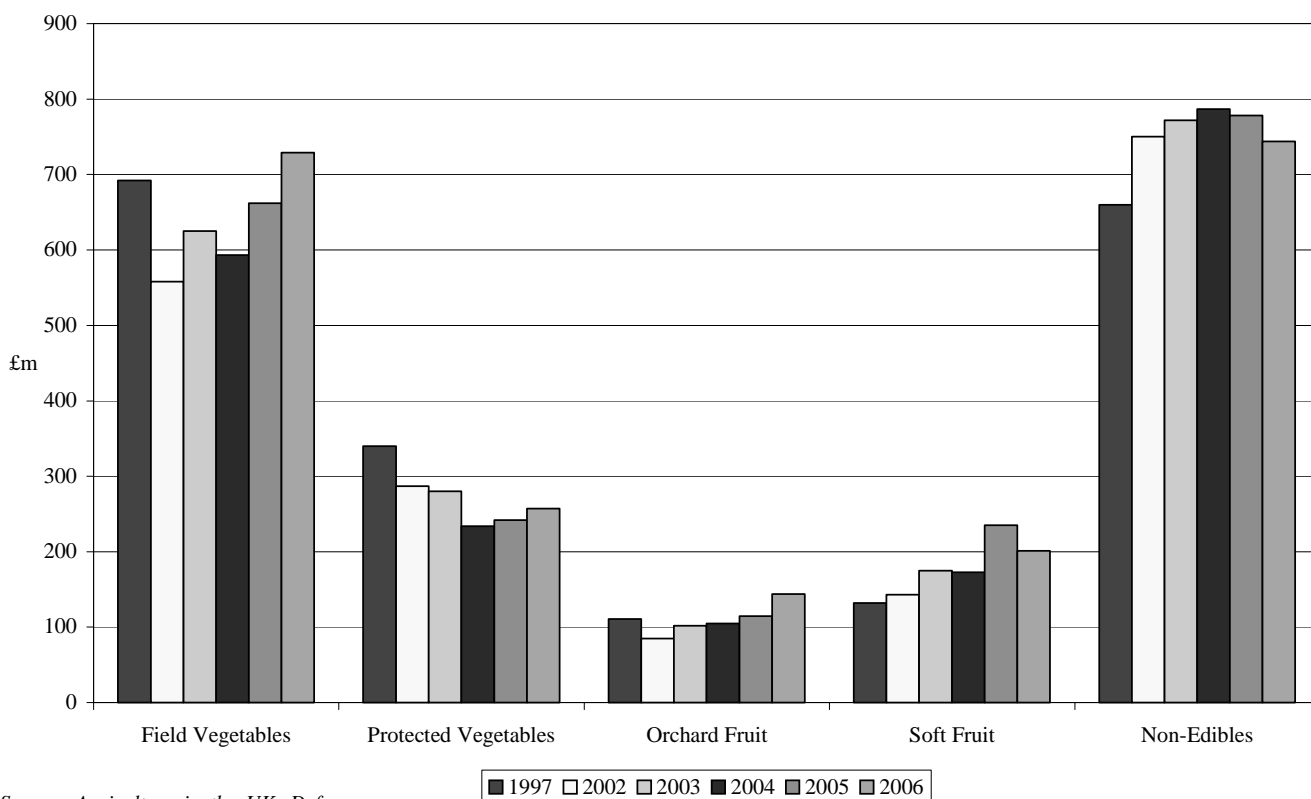
The ornamental sector had seen the largest increase in output up to 2004, increasing by 20%, however the last two years have seen a decline, with output at £744 million in 2006, compared with £787 in 2004. This is made up of 65% of the

output from ornamental crops grown in the open and the remaining 35% from protected crops. This ratio in output has remained relatively unchanged over the ten year period.

The greatest percentage increase in output over the last ten years has been in soft fruit (including protected fruit) which has increased by 52% to £201 million. This can be explained by the large growth in the protected fruit sector from 2001 to 2005. Orchard fruit has also shown a growth in output of 30% since 1997, with most of that increase occurring in the last two years.

By contrast the output of protected vegetables has fallen by 24%. Field vegetable output has shown more variability than the other crops, but in the last two years has also increased in output. The protected vegetable category includes mushroom production which accounts for 39% of the output.

Figure 1.4 The value of horticultural production (current prices: £m)



Source: Agriculture in the UK, Defra

Figure 1.5 The area of field vegetables

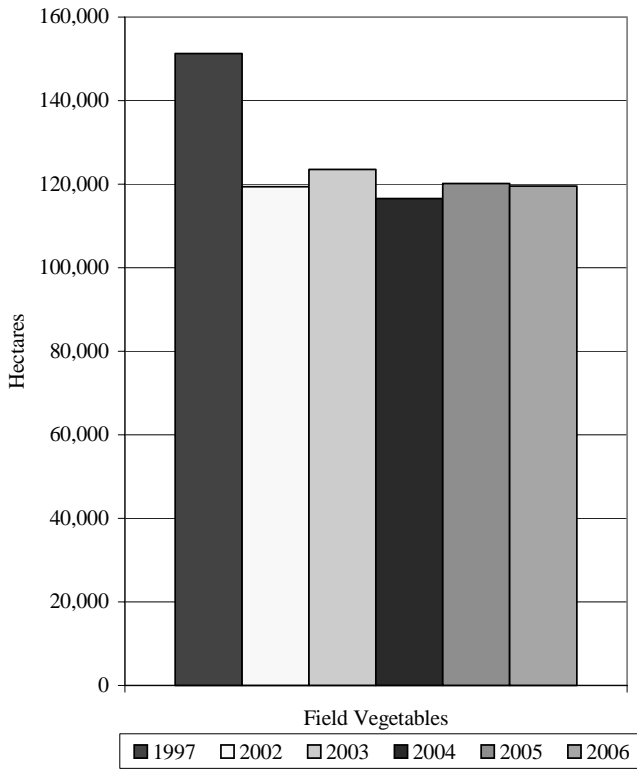


Figure 1.6 The area of other field grown crops

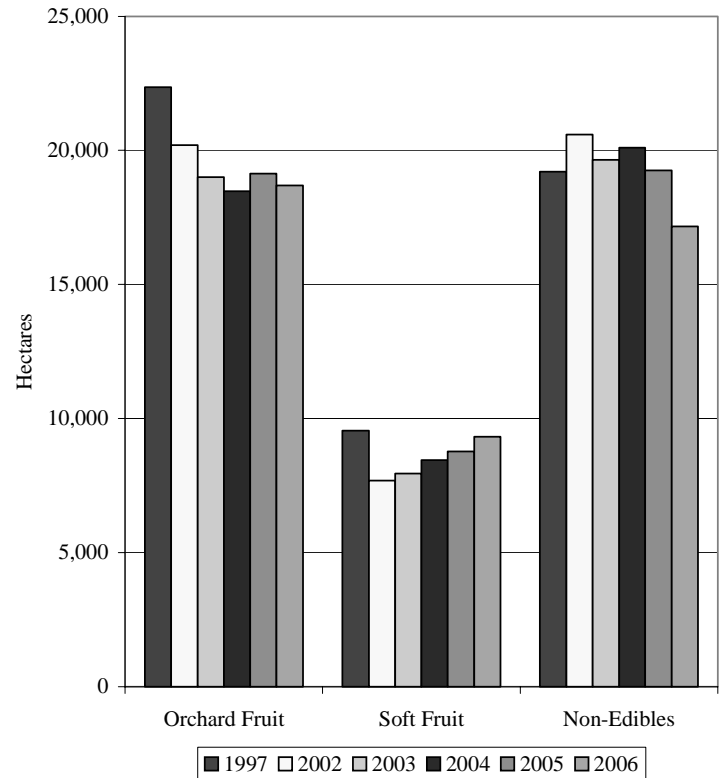


Figure 1.7 The area of protected crops

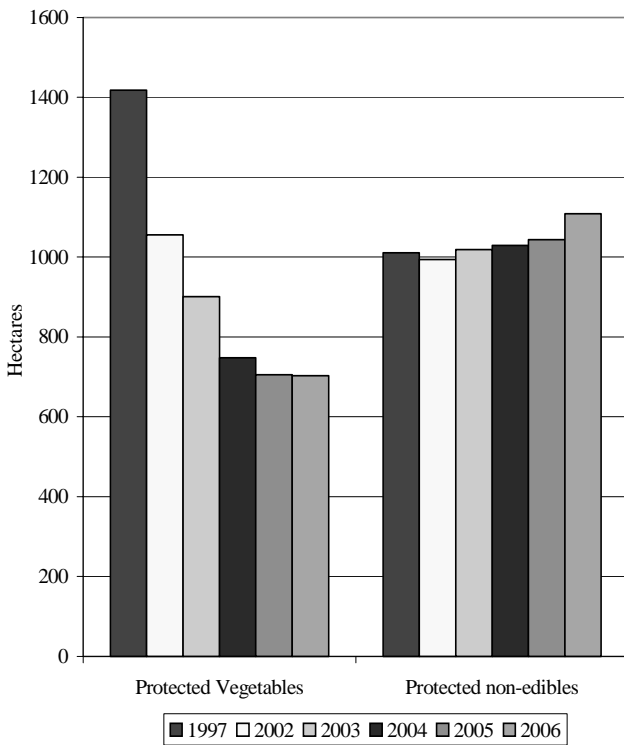
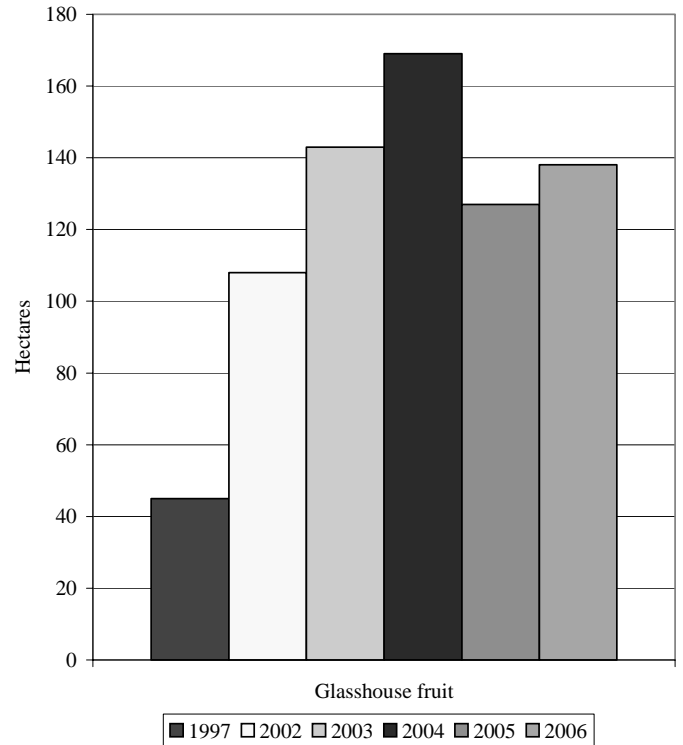


Figure 1.8 The area of glasshouse fruit



Source: Agriculture in the UK, Defra

The area of field vegetables has fallen by 21% in the last ten years to 120,000 hectares in 2006. The area of orchard fruit has also fallen by around 16% over the same time period to 19,000 hectares. The area of soft fruit grown in the open has remained fairly static at approximately 9,000 hectares. The area of glasshouse fruit has increased from 45 hectares in 1997 to 138 hectares in 2006, peaking at 169 hectares in 2004. This group is purely glasshouse production and does not include field

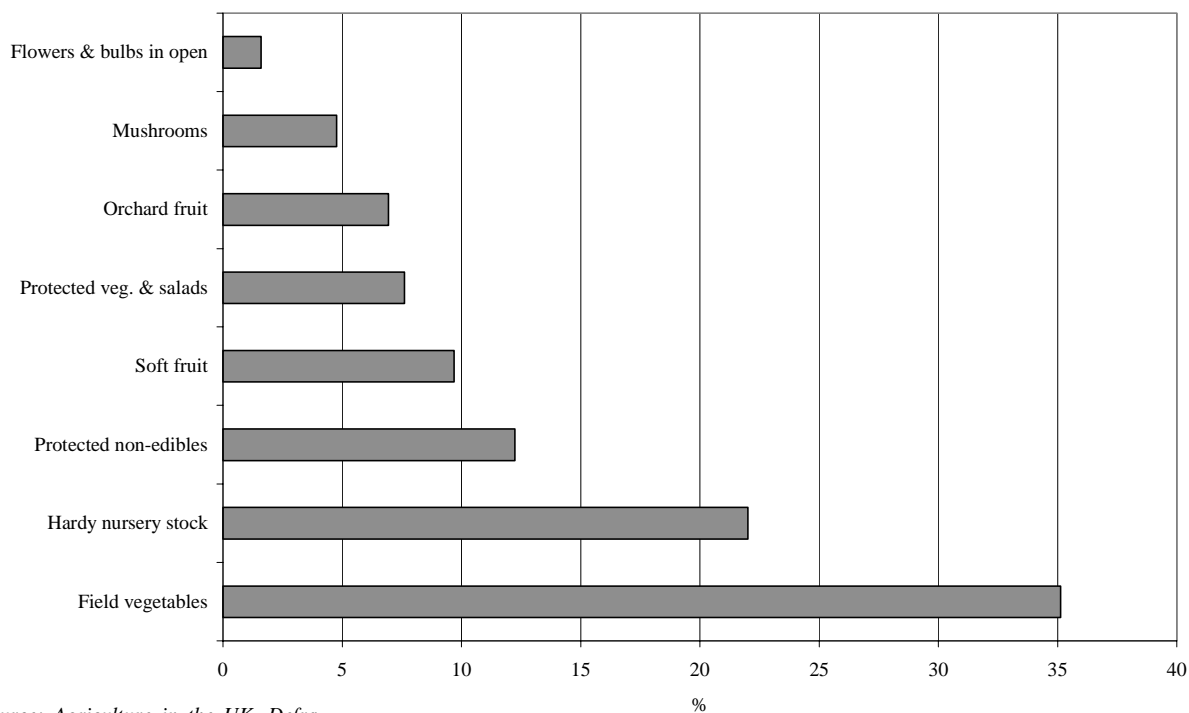
grown soft fruit that are grown in polytunnels. Although the glasshouse fruit sector has shown a large expansion, the area of protected vegetables reduced by 50% over the same time period to 703 hectares planted in 2006. The area of the protected ornamental sector increased by 6%, while the area of ornamentals grown in the open fell by 10% over this period.

1.5 A breakdown of horticultural production in 2006

The total value of horticultural produce in 2006 amounted to £2,107 million. Figure 1.9 shows that just over one third of this output is made up of field scale vegetables, although they account for 72% of the total area of horticulture. Hardy nursery stock (22%) and other protected non-edibles (12%) are the

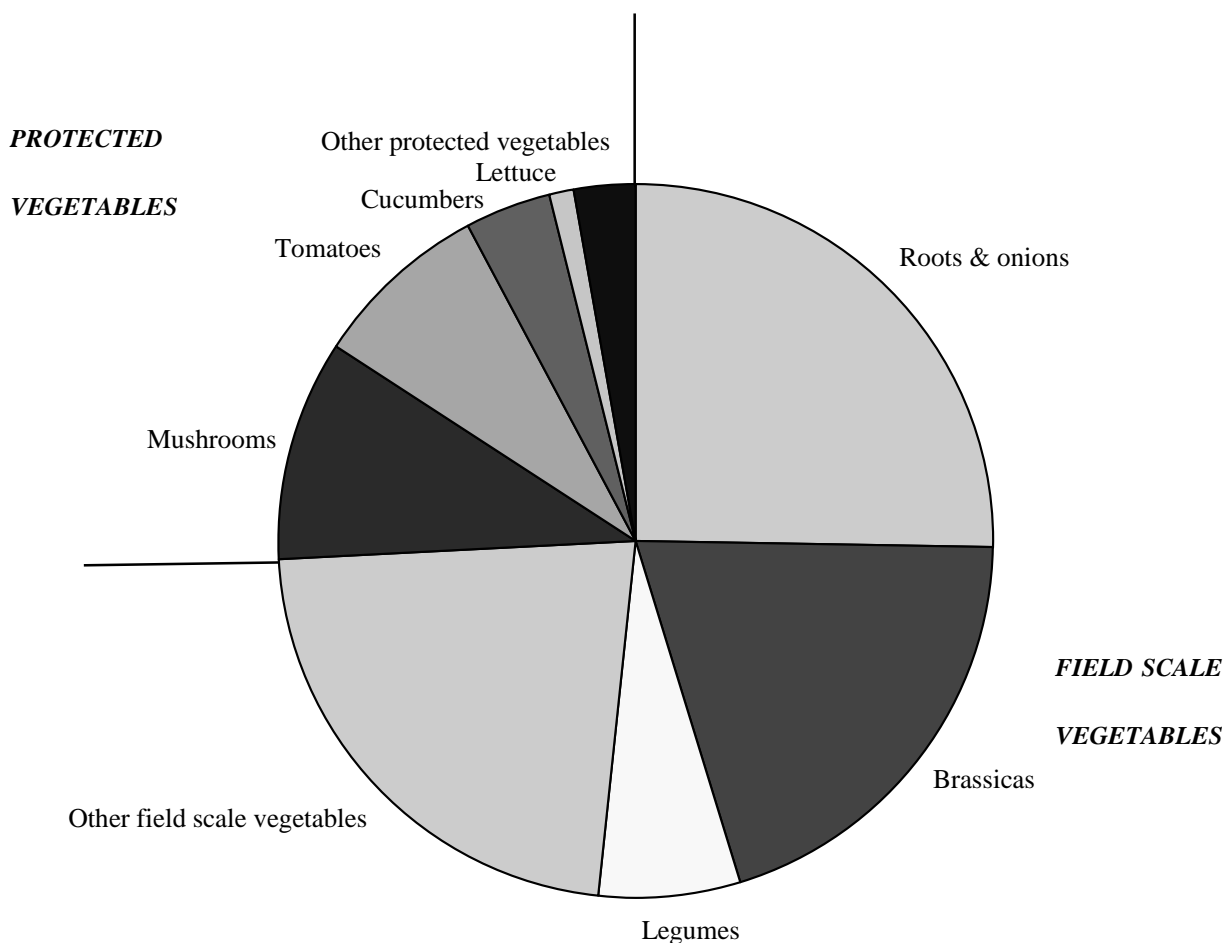
next largest in value terms amongst the horticultural sectors, showing the importance of the ornamental sector. The composition of field and protected vegetables, and orchard and soft fruit production is shown in more detail in Figures 1.10 and 1.11.

Figure 1.9 The value of horticultural produce in 2006



Source: *Agriculture in the UK*, Defra

Figure 1.10 The composition of vegetable output in 2006

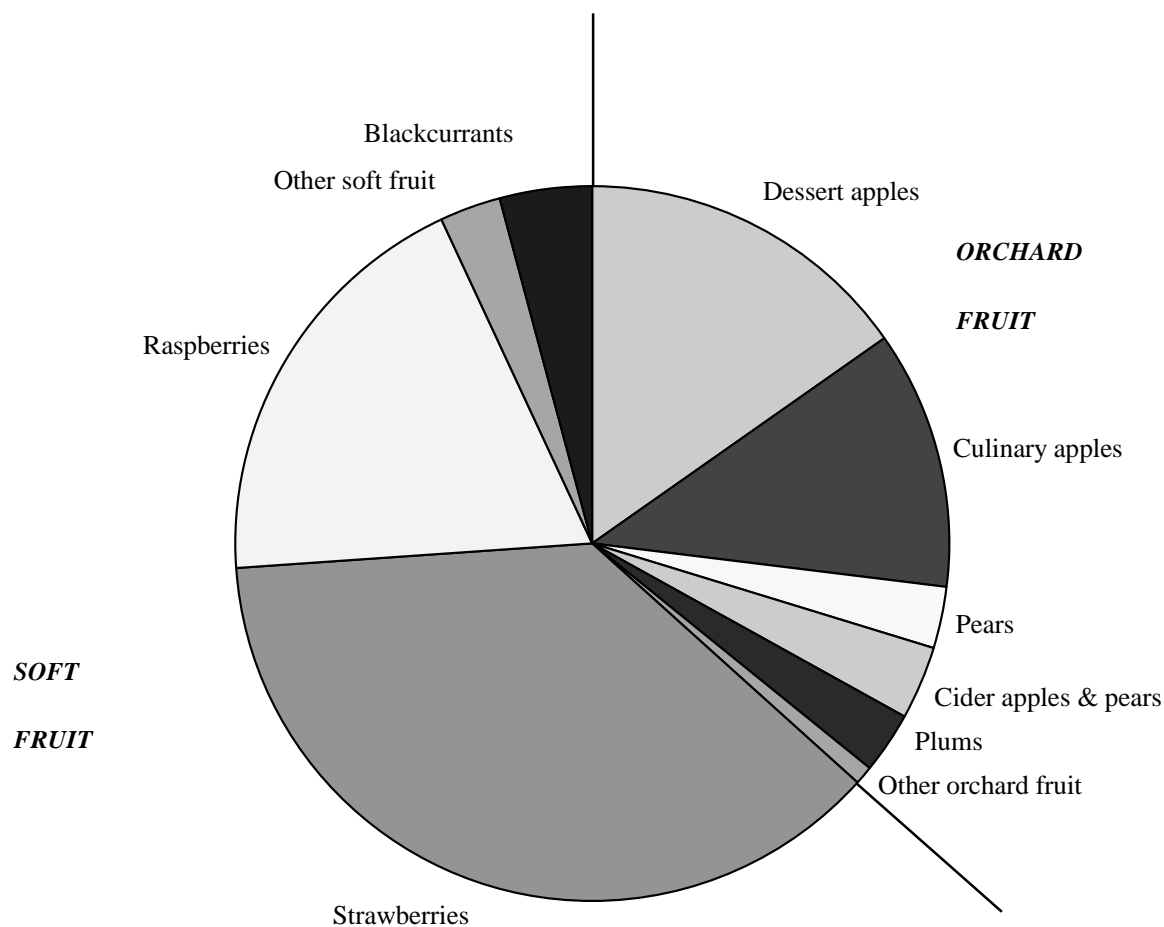


Source: Basic Horticultural Statistics in the UK, Defra

The data used to produce Figures 1.10 and 1.11 has been compiled from the latest edition of Basic Horticultural Statistics in the UK (Defra) and relates to 2006. Field scale vegetables account for three quarters of total vegetable output. Within this category, roots and onions make up 34% of field scale vegetable output. This includes beetroot, carrots, parsnips, turnips, swedes, and onions (dry bulb and green). The brassicas (27% of field scale vegetables) include brussels

sprouts, cabbages, cauliflower and calabrese. The legumes amount to 8% of output. Other field scale vegetables include asparagus, celery, leeks, lettuce, rhubarb, watercress, etc. The protected vegetable output includes mushroom production (38% of output), as well as crops grown in heated and cold glasshouses and polytunnels. Other protected vegetables include crops such as celery and sweet peppers.

Figure 1.11 The composition of fruit output in 2006



Source: Basic Horticultural Statistics in the UK, Defra

Soft fruit output now accounts for two thirds of the total fruit output, and this is mainly due to the large increase in strawberry production. Strawberry output now accounts for 59% of all soft fruit production. Glasshouse fruit production is not included in this graph, but it accounts for approximately 8% of the total fruit output.

Orchard fruit accounts for 33% of the total outdoor fruit output. Dessert apples make up 42% of the output, with culinary apples accounting for 31% of orchard fruit output.

1.6 Imports and exports of horticultural produce

Figure 1.12 Value of vegetables (£m)

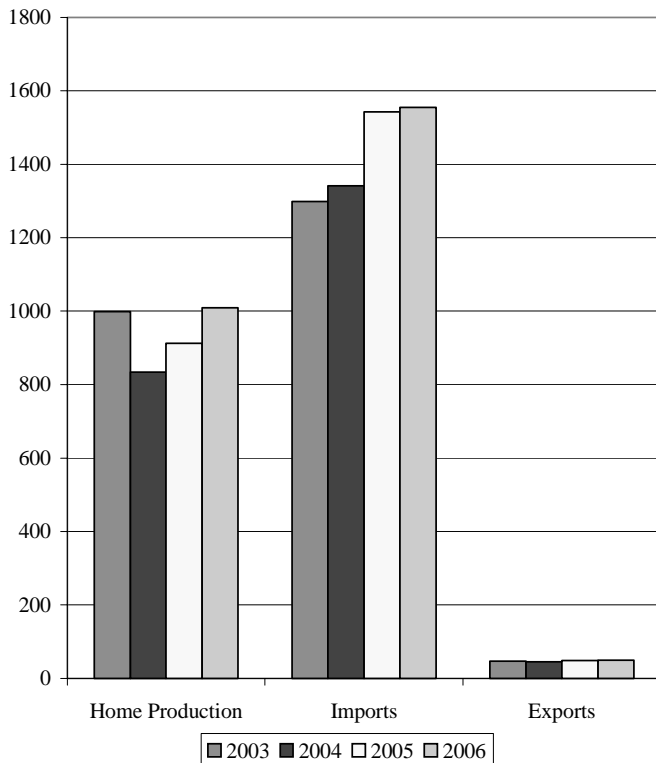
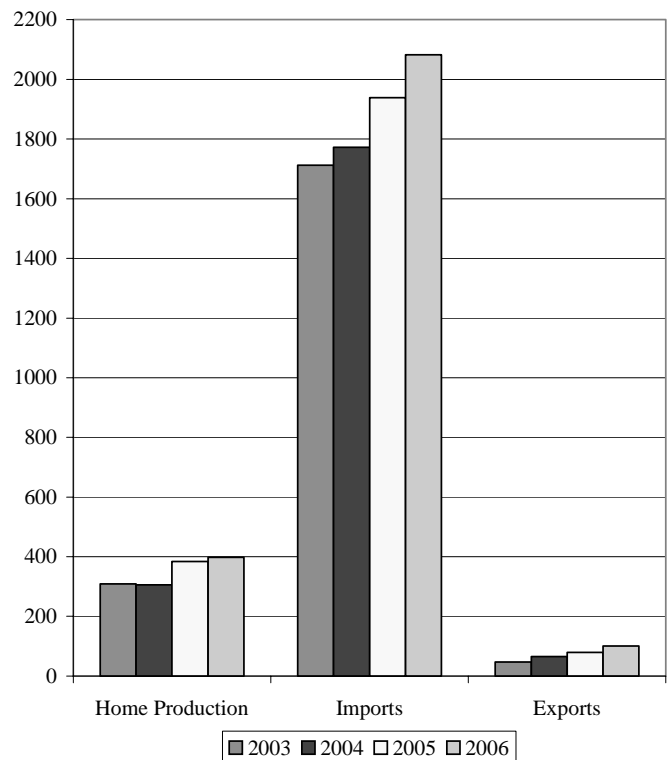


Figure 1.13 Value of fruit (£m)



Source: *Basic Horticultural Statistics in the UK, Defra*

The data used to produce Figures 1.12 to 1.13 has also been compiled from the latest edition of *Basic Horticultural Statistics in the UK (DEFRA)* and relates to 2006.

The vegetable imports shown here relate to fresh produce only, which includes produce from the Channel Islands. Tomatoes are the single largest item and account for approximately 24% of fresh vegetable imports.. The vegetable exports relate exclusively to fresh produce.

The fruit imports do include some dried fruit where fresh produce cannot be distinguished. Although the proportion of fruit imports appears very high, approximately two thirds cannot be grown in this country.

1.7 Price Indices in the UK

**Table 1.1 Index of producer prices
(index: 2000=100)**

	2000	2003	2004	2005	2006
Dessert apples	100.0	124.6	120.7	116.4	122.5
Strawberries	100.0	124.4	97.1	111.8	106.5
Fresh fruit	100.0	124.2	112.4	120.1	114.6
Lettuce	100.0	151.5	130.2	140.7	151.7
Tomatoes	100.0	135.6	99.8	117.7	124.3
Cabbages	100.0	119.7	109.3	122.6	133.1
Fresh vegetables	100.0	125.5	113.7	120.3	129.7
Flowers & plants	100.0	107.9	105.3	105.6	108.8

Source: *Agricultural Price Indices, UK, Defra*

The index of producer prices show a variable pattern over the last five years. Although in 2006 prices were higher than they were in 2000, they were lower than in 2003 for some of the produce shown in the table.

**Table 1.2 Index of purchase prices
(index 2000=100)**

	2000	2003	2004	2005	2006
Current inputs					
Seeds	100.0	116.0	110.3	108.2	104.0
Fertilisers & growing media	100.0	119.0	130.5	143.3	151.4
Plant protection	100.0	95.7	100.6	102.9	103.4
Fuel for heating	100.0	104.5	118.3	158.9	185.0
Hired labour	100.0	113.5	122.5	124.5	122.8
Capital inputs					
Machinery & other equipment	100.0	94.4	92.4	88.6	86.7
Buildings	100.0	110.7	114.0	118.3	120.8
Finance inputs					
Bank rate	100.0	61.9	73.5	77.9	81.4

Source: *Agricultural Price Indices, UK, Defra*

The index of purchase prices of the means of production show that the cost of virtually all of the current inputs are increasing. In particular, the price of fertiliser and growing media has increased by 51% and fuel for heating has increased by 85% since 2000. From 2004 the bank rate index has increased but it remains lower than the 2000 index.

1.8 The regional importance of horticulture

The following maps show the main areas for different types of horticultural production in England. In each case the map shows the proportion of the named type of horticultural production found in each county. Figure 1.14 shows that horticultural production is heavily concentrated in Eastern England. Figures 1.15 to 1.19 illustrate the regional distribution of the more important types of horticultural production. Glasshouse production occurs mainly in the eastern half of the country, with important pockets along the Sussex and North West coasts. Most of the commercial orchards and the soft fruit areas are in Kent and the counties of Hereford and Worcester. Both vegetable and flower production are practised mainly in the East but in the case of the latter, Cornwall also makes a significant contribution.

Proportion of horticultural production in each county as a percentage of total horticultural production in England & Wales

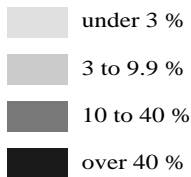


Figure 1.14 Distribution of horticultural production

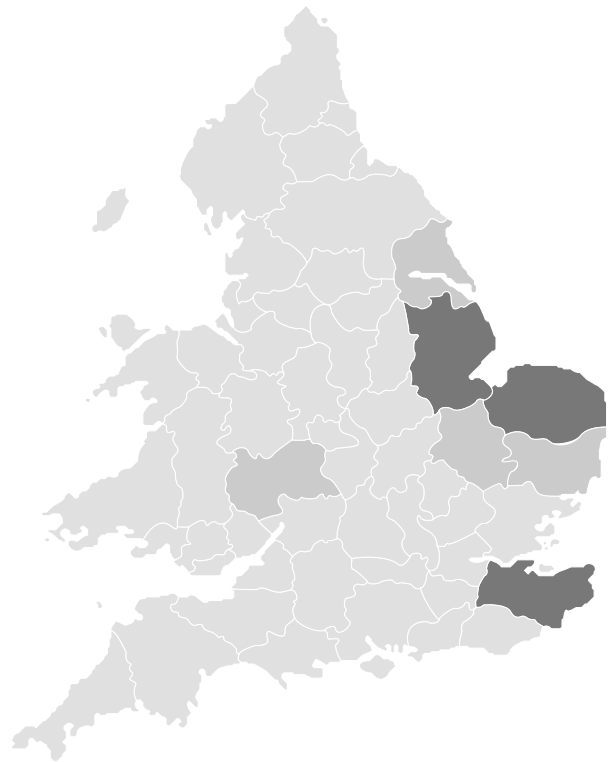
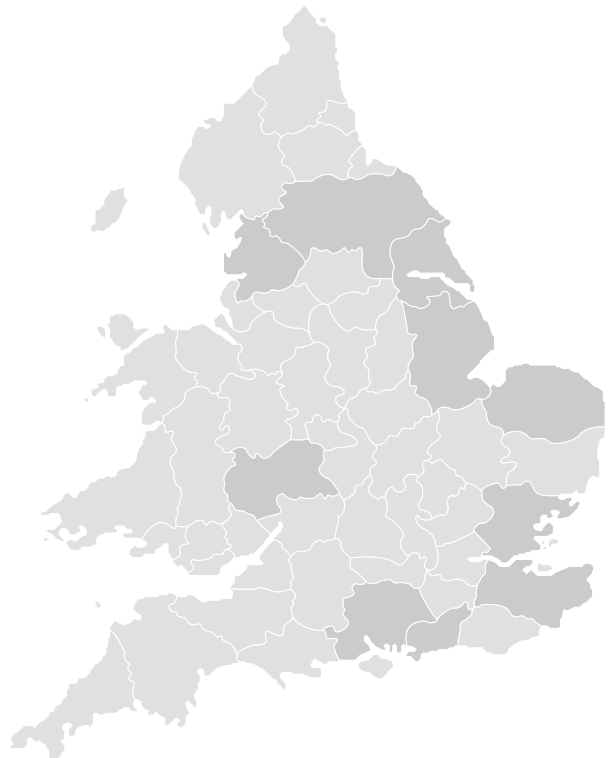


Figure 1.15 Distribution of production under glass & plastic structures



Source: June Survey, Defra

Figure 1.16 Distribution of commercial orchards



Figure 1.17 Distribution of soft fruit production

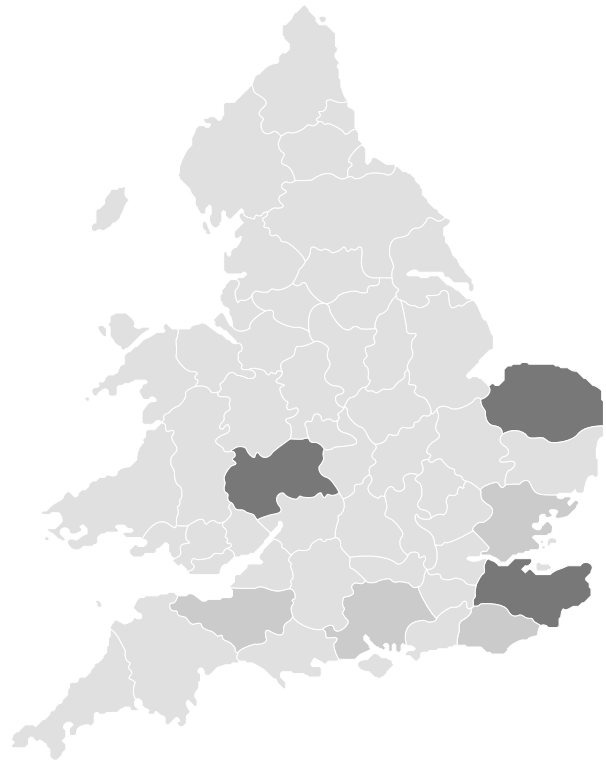


Figure 1.18 Distribution of vegetable production (excluding peas & beans)

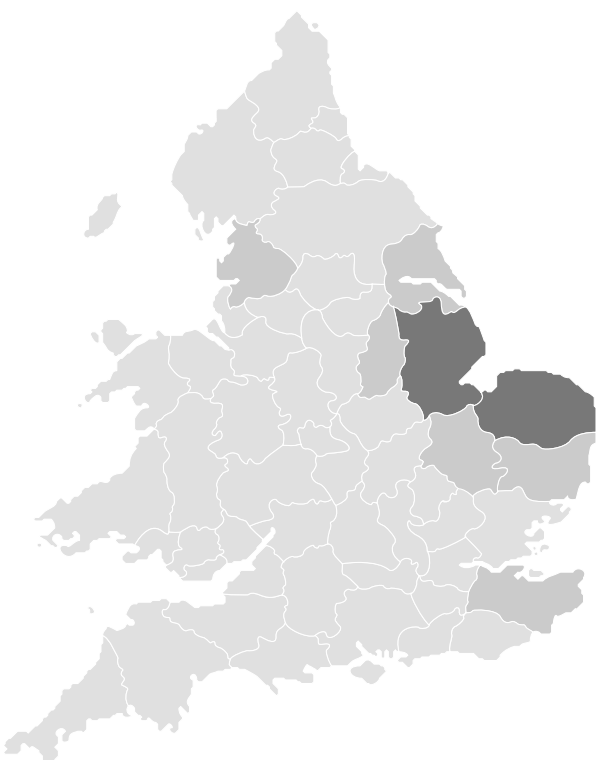
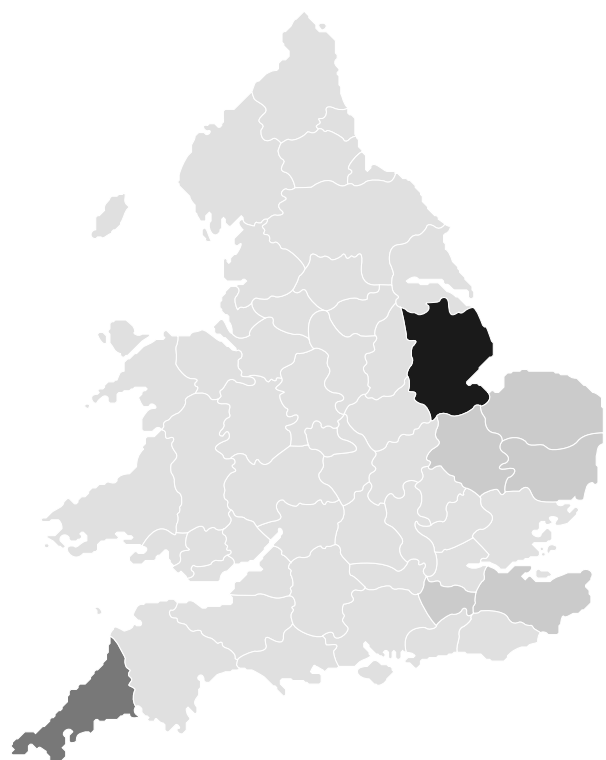


Figure 1.19 Distribution of hardy nursery stock and flower production



SECTION 2: FINANCIAL RESULTS FOR HORTICULTURE IN ENGLAND

2.1 Introduction to the data

The following series of tables are drawn from a sample of farmers and growers who participate in the Farm Business Survey in England and whose businesses are classified under one of the four main Defra horticultural type groups. These four type groups of Specialist Glass, Specialist Fruit, Specialist Hardy Nursery Stock and Other Horticulture are defined below. For the purposes of the Defra classification, Field

Scale Vegetable producers are classified as General Cropping Farms, and so their results are not included in these tables, although smaller scale outdoor vegetable producers are recorded in the 'Other Horticulture' typology group.

The tables show the results for the 2005 and 2006 cropping years.

2.2 Definition of horticultural type groups

Horticultural businesses are farms where horticultural crops or permanent crops including fruit, either alone or in combination, account for over two thirds of total standard gross margin.

Specialist glass

- Market garden vegetables and flowers under glass (either alone or in combination) accounting for more than two thirds of the total standard gross margin of the business, including walk-through polythene tunnels
- The specialist glass businesses have been further sub-divided into those businesses with mainly edible crops (more than 50% of crop output from edible crops) and those with mainly non-edible crops (more than 50% of crop output from non-edible crops)
- In addition to this, the specialist glass group has been sub-divided by the level of intensity of glasshouse production, showing both '50% or more' and '90% or more' of total crop output produced from protected crops
 - Table 2.3 - Specialist Glass, edible and non edible crops
 - Table 2.4 - Specialist Glass, mainly edible crops
 - Table 2.5 - Specialist Glass, mainly non edible crops
 - Table 2.6 - Specialist Glass (50% or more of crop output from glasshouse production), edible and non edible crops
 - Table 2.7 - Specialist Glass (50% or more of crop output from glasshouse production), mainly edible crops
 - Table 2.8 - Specialist Glass (50% or more of crop output from glasshouse production), mainly non edible crops
 - Table 2.9 - Specialist Glass (90% or more of crop output from glasshouse production), edible and non edible crops
 - Table 2.10 - Specialist Glass (90% or more of crop output from glasshouse production), mainly edible crops
 - Table 2.11 - Specialist Glass (90% or more of crop output from glasshouse production), mainly non edible crops

Specialist fruit

- Fruit (other than strawberries, melons and citrus) accounting for more than two thirds of total standard gross margin of the business
- The specialist fruit group has one sub-group of mainly top fruit businesses
 - Table 2.12 - Specialist Fruit Businesses
 - Table 2.13 - Mainly top fruit businesses - 90% or more of crop output derived from top fruit

Specialist hardy nursery stock

- Hardy nursery stock (HNS) accounting for more than two thirds of total standard gross margin of the business
- The specialist HNS group has two sub-groups, showing HNS that is grown mainly under protection and HNS that is mainly grown outdoors
 - Table 2.14 - Specialist HNS Businesses
 - Table 2.15 - Mainly protected HNS crops - 50% or more of crop output derived from glasshouse production of HNS
 - Table 2.16 - Outdoor HNS crops - 80% or more of crop output derived from outdoor production of HNS

Other horticulture

- Businesses in which none of the above categories accounts for more than two thirds of standard gross margin
- The 'other horticulture' group has one sub-group of mainly outdoor vegetable growers
 - Table 2.17 - Other Horticultural Businesses
 - Table 2.18 - Mainly outdoor vegetables - 50% or more of crop output derived from outdoor vegetables

2.3 The sample

The Farm Business Survey (FBS) covers businesses with a Standard Labour Requirement (SLR) of 0.5 and above. The SLR represents the average labour requirement in Full Time Equivalents for all the enterprises in the business under typical conditions for enterprises of average size and performance. It is calculated from standard coefficients applied to each enterprise in the business and represents the input of labour required per hectare of crops and per head of livestock.

According to the 2006 June survey there are 9,200 horticultural businesses in England. However, approximately half of these businesses are regarded as too small for inclusion in the FBS, as they fall below the minimum threshold of 0.5 SLR.

Table 2.1 shows how the 2006 sample of horticultural businesses within the FBS compares with the national population of eligible horticultural businesses.

Table 2.1 FBS sample compared with census data for 2006

	England population 2006 survey (businesses)	FBS sample 2006 (businesses)	FBS sample as a % of population
Specialist Glass	1 124	89	7.9%
Specialist Fruit	826	43	5.2%
Specialist HNS	1 617	44	2.7%
Other Horticulture	1 148	31	2.7%
All Horticulture	4 715	207	4.4%

The size of the total sample for the 2005 cropping year was 203 businesses and for the 2006 cropping year it was 207 businesses.

The sample is drawn from a stratified population of seven Government Office Regions by four main typology types of Specialist Glass, Specialist Fruit, Specialist Hardy Nursery Stock and Other Horticulture. Within each stratum a single weight is calculated as the ratio of numbers of businesses in the population and in the sample. This weight when applied to each business, represents the number of times that business' data must be replicated in order to 'represent' businesses not selected for the sample, so as to reflect the entire population. This weight is applied to all variables. The weighted results are then divided into the four main Defra type classifications.

2.4 Financial results for 2005 and 2006

The results in this section are shown for businesses classified according to the Defra classification system, as described on page 19, which is based on standard gross margins.

The results are shown on a 'per business', 'per hectare' and 'per £100 of gross output' basis. Average results are shown for the 2005 and 2006 harvest year and premium results are shown for the 2006 harvest year where the sample size is large enough to produce results. The premium results are the top third of businesses measured by management and investment income per hectare. The 'per hectare' results relate to the utilisable area of the holding. However, for specialist glasshouse businesses and protected hardy nursery stock producers, the area of glass (including polytunnels) is used to produce 'per hectare' results.

The horticultural sector represents a very diverse group of producers, with some operating highly intensive glasshouse operations and others producing more extensive top fruit and vegetable production. Over the whole sample, average Farm Business Income of horticultural businesses in 2006 increased by 20% from 2005 in current price terms, to £42,092 (Table 2.2). These businesses have been largely unaffected by the introduction of the single payment scheme (SPS) as their main enterprises were not subject to the CAP support regime and are therefore ineligible for any payments based on historic claims. Although some growers will have seen subsidy payments for the first time on land growing negative list crops, the amount of SPS received was just £1,383 per business, compared with an average output of £350,700 per business based on the whole sample. Total average output per business increased by 12% across the horticultural sector, driven by higher market prices for fresh vegetables and fruit. Total variable costs for the sector as a whole increased by 8.7%. Fixed costs were up by 12% on the previous year, with increases occurring in most of the categories, particularly for casual labour.

Performance across the horticultural sector showed Farm Business Income increased between the 2005 and 2006 cropping years for all the horticultural type groups of specialist glass, specialist fruit, specialist hardy nursery stock and other horticulture type groups.

Specialist Glass

The Specialist Glass group includes heated and cold glass and polytunnels. The group includes several large scale soft fruit producers who use polytunnels for production. Table 2.3 shows that the average Farm Business Income increased in 2006 by 3% from 2005 to £31,463 per business. Total gross margin increased by 2% to £184,983, while fixed costs also increased by 3% to £176,973. However, within this main group there has been a difference in the financial performance of the edible and ornamental sectors.

Table 2.4 shows that those glasshouse businesses with mainly edible crops (50% or more of their total crop output derived from edible crops), saw Farm Business Income per business

fall by 2% to £31,842 for the 2006 cropping year. In this group total gross margin increased by 27%, and fixed costs increased by 33%. Although the average price of vegetables did increase in 2006, overall yields were slightly lower than in the previous year, which tended to offset the increase in prices. The average glasshouse area (including polytunnels) increased by 5% in 2006, to 1.94 ha of glass and polytunnels per business.

Table 2.5 refers to glasshouse businesses with mainly non edible crops (50% or more of their total crop output derived from non-edible crops), where Farm Business Income increased by 9%, to £31,175 per business for the 2006 harvest year. This group experienced a reduction in total gross margin of 15% and fixed costs [-16%]. When the results are shown on a 'per £100 of gross output' basis, gross margin actually increased by 10%, while fixed costs increased by 9% in 2006.

Within the specialist glasshouse group there are a number of businesses with some crops grown outdoors. This group has therefore been sub-divided according to the intensity of glasshouse production and shows businesses with 50% or more of crop output derived from glasshouse production (Tables 2.6 to 2.8), and businesses with 90% or more of crop output derived from glasshouse production (Tables 2.9 to 2.11). Table 2.10 shows that the edible sector of this intensive glasshouse group (90% or more of crop output from glasshouse production) saw Farm Business Income increase from £39,183 in 2005 to £44,219 per business in 2006. The main reason was the increase in the price received for tomatoes, which rose for the second year in succession from an average £869/T in 2005 to £989/T in 2006. Tomatoes account for two thirds of the output of this group. Prices received for cucumbers and lettuce appeared more static in the two years. The increase in Farm Business Income was held in check by the sharp rise in heating costs, up 47% to £67,678 per business (this equated to a 17% increase on a per hectare of glass basis). The index of purchase prices for heating fuel also recorded an increase of 16%, between 2005 and 2006. Table 2.11 shows that the profit for those businesses growing ornamental crops (90% or more of crop output from glasshouse production) fared less well. Farm Business Income per business fell by 41% to £24,924 in 2006. However, the productive area of glass and polytunnels fell by 27% to 0.71 hectares per business, so that when measured on a per hectare basis, Farm Business Income actually fell by 18%. Although sales of bedding plants started well in early summer, the subsequent poor weather at critical times led to a fall in sales. The water restrictions in the south-east also reduced the demand for plants.

Specialist Fruit

Table 2.12 shows the average Farm Business Income increased to £17,923 per business, which on average is the least profitable sector of horticulture. There were reductions in 2006 to total output [-11%] to £172,387 per business, variable costs [-19%] to £59,873 per business and fixed costs [-8%] to £114,360 per business. This specialist fruit group includes both top and soft fruits.

Table 2.13 shows a group of businesses that specialise in top fruit production with 90% or more of their total crop output derived from this type of fruit. Approximately three quarters of the output is apple production. Although Farm Business Income increased by 20% to £14,720 per business in 2006, the productive area of the average business fell from 38.2 ha to 25.8 ha. Although prices for desert apples generally improved, production was variable in different parts of the country. Prices continued to improve for cider fruit with an increase in demand. The cost of labour is a significant item for these businesses and is approximately one third of the gross output.

Specialist Hardy Nursery Stock

The Hardy Nursery Stock (HNS) sector [Table 2.14] actually showed an increase in Farm Business Income of 7% rising to £47,361 per business. Total output fell by 2.5% between the two years, and variable costs and fixed costs reduced by 5% and 4% respectively. This sector is still experiencing strong competition from imports and combined with a poor summer has led to a more challenging period.

This group of businesses includes growers of HNS under glass, those growing HNS outdoors, and a combination of these two categories. Table 2.15 refers to a group of businesses which primarily grow HNS under glass (50% or more of crop output produced under glass or walk-through polythene tunnels). Table 2.16 refers to a group of businesses with 80% or more of HNS output produced outdoors, which includes rootstock and larger trees, as well as shrubs and smaller nursery stock. Farm Business Income for the protected nursery stock production increased by 18% to £74,359 in 2006, whereas the production of outdoor HNS showed a fall in Farm Business Income of 5% to £41,833.

Other Horticulture

Table 2.17 shows the results for the 'Other Horticulture' group. Output is derived from approximately 15% glasshouse crops, 70% outdoor vegetable crops, 4% flowers and HNS with the remainder from the production of fruit and other farm crops. Farm Business Income increased to £61,315 [+50%] per business, due to an increase in the cropping area to 58.9 hectares and an increase in prices for fresh vegetables. There was a much smaller rise of 5% in Farm Business Income, on a per hectare basis.

Table 2.18 shows the financial results for a group of outdoor vegetable growers (50% or more of crop output produced from outdoor vegetables). This group of businesses saw an increase in the cropping area of 39% to 84.2 hectares in 2006, and hence an increase in profit, however on a per hectare basis Farm Business Income fell by 7% to £957 per hectare.

Table 2.2 All horticultural businesses

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2005	2006	2005	2006	2005	2006
Number of businesses	203	207	203	207	203	207
Productive area of business (ha)	20.23	24.84	20.23	24.84		
	<i>Average £ per business</i>		<i>Average £ per hectare</i>		<i>Average %</i>	
Gross output	311 796	350 700	15 414	14 116	100.0	100.0
Variable costs						
Seed and young plants	57 492	54 724	2 842	2 203	18.4	15.6
Fertilisers & composts	9 003	8 701	445	350	2.9	2.5
Crop protection	5 709	6 251	282	252	1.8	1.8
Market charges	14 022	15 504	693	624	4.5	4.4
Packing materials	12 066	14 582	597	587	3.9	4.2
Horticultural sundries	14 919	21 956	738	884	4.8	6.3
Glasshouse fuel	5 180	7 215	256	290	1.7	2.1
Other variable costs	724	514	36	21	0.2	0.1
Total variable costs	119 115	129 447	5 889	5 210	38.2	36.9
Total gross margin	192 681	221 253	9 526	8 906	61.8	63.1
Fixed costs						
Labour:						
Regular paid	71 709	72 544	3 545	2 920	23.0	20.7
Regular unpaid	18 875	19 725	933	794	6.1	5.6
Casual labour	16 163	24 259	799	976	5.2	6.9
Power & machinery costs:						
Contract & hire	5 066	6 147	250	247	1.6	1.8
Fuel & electricity	7 708	8 737	381	352	2.5	2.5
Repairs	7 654	9 583	378	386	2.5	2.7
Machinery depreciation	9 086	10 745	449	432	2.9	3.1
Glasshouse depreciation	3 284	3 532	162	142	1.1	1.0
Rent (incl. imputed)	13 306	15 977	658	643	4.3	4.6
Other costs:						
Occupier's repairs	3 714	4 699	184	189	1.2	1.3
Permanent crop depreciation	931	1 418	46	57	0.3	0.4
Water	1 493	1 872	74	75	0.5	0.5
Sundries	17 196	17 933	850	722	5.5	5.1
Total fixed costs	176 183	197 169	8 710	7 936	56.5	56.2
Management & investment income	16 498	24 084	816	969	5.3	6.9
Minus: management salaries	473	468	23	19	0.2	0.1
Plus: farmer & spouse labour	16 692	17 210	825	693	5.4	4.9
Net farm income	32 717	40 825	1 617	1 643	10.5	11.6
Farm business income	34 899	42 092	1 725	1 694	11.2	12.0

Crop output per cent of total crop output (%)

	Average 2005	Average 2006
Glasshouse crops		
Flowers and nursery stock	27.5	25.7
Tomatoes	4.1	4.9
Lettuce	0.4	0.5
Soft fruit	1.1	2.7
Other glasshouse crops	2.5	3.8
Outdoor crops		
Flowers and nursery stock	34.3	26.5
Vegetables	15.3	23.9
Other outdoor crops	1.8	2.2
Top fruit		
Dessert apples and pears	4.9	4.0
Culinary apples	2.5	1.0
Plums	0.5	0.4
Other top fruit	1.8	0.9
Soft fruit		
Strawberries	0.7	1.2
Raspberries	0.9	0.9
Blackcurrants	0.1	0.2
Other soft fruit	1.5	1.0
Total	100.0	100.0

Farm business income (FBI)

(distribution by number of businesses)

<i>FBI range per business</i>	Average 2005	Average 2006
Over £100,000	35	39
£50,000 to < £100,000	26	31
£25,000 to < £50,000	48	38
£12,500 to < £25,000	29	29
0 to < £12,500	32	31
-£12,500 to 0	14	19
-£25,000 to < -£12,500	6	5
-£50,000 to < -£25,000	5	6
Below -£50,000	8	9
Total	203	207

Distribution of tenant's type capital (%)

	Average 2005	Average 2006
Crops and tillages	22	20
Stores	5	5
Glasshouses	8	8
Equipment	29	28
Livestock	1	1
Other	36	37
Total	100	100
Tenant's capital (£)	230 153	240 294

Table 2.3 All specialist glass businesses

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2005	2006	2005	2006	2005	2006
Number of businesses	92	89	92	89	92	89
Productive area of glass (ha)	0.9660	1.1581	0.9660	1.1581		
	<i>Average £ per business</i>		<i>Average £ per hectare</i>		<i>Average %</i>	
Gross output	318 522	312 214	329 746	269 591	100.0	100.0
Variable costs						
Seed and young plants	58 761	45 530	60 831	39 314	18.4	14.6
Fertilisers & composts	9 014	8 469	9 331	7 313	2.8	2.7
Crop protection	2 403	2 726	2 488	2 354	0.8	0.9
Market charges	15 055	17 370	15 585	14 998	4.7	5.6
Packing materials	16 766	15 390	17 356	13 289	5.3	4.9
Horticultural sundries	11 644	12 681	12 054	10 950	3.7	4.1
Glasshouse fuel	20 630	24 923	21 357	21 521	6.5	8.0
Other variable costs	2 920	142	3 023	122	0.9	0.0
Total variable costs	137 192	127 231	142 026	109 862	43.1	40.8
Total gross margin	181 330	184 983	187 719	159 729	56.9	59.2
Fixed costs						
Labour:						
Regular paid	65 232	73 159	67 530	63 171	20.5	23.4
Regular unpaid	23 308	24 903	24 130	21 504	7.3	8.0
Casual labour	19 426	15 453	20 111	13 343	6.1	4.9
Power & machinery costs:						
Contract & hire	3 901	4 240	4 038	3 662	1.2	1.4
Fuel & electricity	7 592	7 987	7 859	6 897	2.4	2.6
Repairs	5 035	5 204	5 212	4 493	1.6	1.7
Machinery depreciation	7 147	7 228	7 399	6 241	2.2	2.3
Glasshouse depreciation	8 469	7 513	8 767	6 487	2.7	2.4
Rent (incl. imputed)	8 187	9 318	8 475	8 046	2.6	3.0
Other costs:						
Occupier's repairs	4 578	5 240	4 739	4 525	1.4	1.7
Permanent crop depreciation	51	49	53	42	0.0	0.0
Water	1 795	1 728	1 858	1 492	0.6	0.6
Sundries	16 623	14 951	17 209	12 910	5.2	4.8
Total fixed costs	171 342	176 973	177 379	152 813	53.8	56.7
Management & investment income	9 988	8 010	10 340	6 917	3.1	2.6
Minus: management salaries	846	849	876	733	0.3	0.3
Plus: farmer & spouse labour	20 759	22 229	21 490	19 194	6.5	7.1
Net farm income	29 901	29 390	30 954	25 378	9.4	9.4
Farm business income	30 505	31 463	31 580	27 168	9.6	10.1

Premium businesses	<i>Per hectare</i>	<i>Per £100 of gross output</i>
	2006	2006
Number of businesses	30	30
Productive area of glass(ha)	1.1581	
	<i>£ per hectare</i>	<i>Average %</i>
Gross output	507 121	100.0
Variable costs		
Seed and young plants	86 008	17.0
Fertilisers & composts	13 066	2.6
Crop protection	3 041	0.6
Market charges	19 327	3.8
Packing materials	15 839	3.1
Horticultural sundries	14 294	2.8
Glasshouse fuel	35 012	6.9
Other variable costs	469	0.1
Total variable costs	187 056	36.9
Total gross margin	320 064	63.1
Fixed costs		
Labour:		
Regular paid	125 119	24.7
Regular unpaid	19 193	3.8
Casual labour	7 830	1.5
Power & machinery costs:		
Contract & hire	11 016	2.2
Fuel & electricity	11 421	2.3
Repairs	8 042	1.6
Machinery depreciation	9 157	1.8
Glasshouse depreciation	13 024	2.6
Rent (incl. imputed)	10 046	2.0
Other costs:		
Occupier's repairs	5 802	1.1
Permanent crop depreciation	0	0.0
Water	1 866	0.4
Sundries	24 874	4.9
Total fixed costs	247 390	48.8
Management & investment income	72 675	14.3
Minus: management salaries	1 934	0.4
Plus: farmer & spouse labour	15 089	3.0
Net farm income	85 830	16.9
Farm business income	89 050	17.6

Crop output per cent of total crop output (%)

	Average 2005	Average 2006	Premium 2006
Glasshouse crops			
Flowers and nursery stock	50.1	40.7	54.4
Tomatoes	19.1	21.8	22.7
Lettuce	1.9	2.3	0.0
Soft fruit	5.3	11.8	6.2
Other glasshouse crops	10.0	12.9	6.6
Outdoor crops			
Flowers and nursery stock	5.3	5.2	10.0
Vegetables	1.5	1.7	0.0
Fruit	6.7	3.3	0.0
Other outdoor crops	0.2	0.1	0.2
Total	100.0	100.0	100.0

Distribution of tenant's capital (%)

	Average 2005	Average 2006	Premium 2006
Crops and tillages	6	6	6
Stores	7	7	7
Glasshouses	25	21	25
Equipment	27	29	21
Livestock	0	0	0
Other	34	37	40
Total	100	100	100
Tenant's capital (£)	194 882	209 450	367 000

Farm business income (FBI)

(distribution by number of businesses)

<i>FBI range per business</i>	Average 2005	Average 2006
Over £100,000	19	16
£50,000 to < £100,000	10	15
£25,000 to < £50,000	24	18
£12,500 to < £25,000	14	17
0 to < £12,500	13	8
-£12,500 to 0	7	8
-£25,000 to < -£12,500	1	1
-£50,000 to < -£25,000	2	1
Below -£50,000	2	5
Total	92	89

Table 2.4 Specialist glass businesses, mainly edible crops*

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2005	2006	2005	2006	2005	2006
Number of businesses	35	31	35	31	35	31
Productive area of glass (ha)	1.2504	1.9372	1.2504	1.9372		
	<i>Average £ per business</i>		<i>Average £ per hectare</i>		<i>Average %</i>	
Gross output	266 644	351 490	213 251	181 438	100.0	100.0
Variable costs						
Seed and young plants	11 511	18 918	9 206	9 766	4.3	5.4
Fertilisers & composts	6 109	9 037	4 886	4 665	2.3	2.6
Crop protection	2 889	4 099	2 311	2 166	1.1	1.2
Market charges	20 071	31 869	16 052	16 451	7.5	9.1
Packing materials	14 330	21 569	11 461	11 134	5.4	6.1
Horticultural sundries	12 647	14 551	10 115	7 511	4.7	4.1
Glasshouse fuel	29 481	43 524	23 577	22 467	11.1	12.4
Other variable costs	5 983	22	4 785	11	2.2	0.0
Total variable costs	103 020	143 590	82 391	74 121	38.6	40.9
Total gross margin	163 624	207 900	130 859	107 318	61.4	59.1
Fixed costs						
Labour:						
Regular paid	47 178	80 362	37 731	41 483	17.7	22.9
Regular unpaid	21 938	25 461	17 545	13 143	8.2	7.2
Casual labour	25 707	24 800	20 559	12 802	9.6	7.1
Power & machinery costs:						
Contract & hire	3 431	2 701	2 744	1 394	1.3	0.8
Fuel & electricity	6 643	9 057	5 313	4 675	2.5	2.6
Repairs	4 843	5 612	3 873	2 897	1.8	1.6
Machinery depreciation	5 848	7 436	4 677	3 839	2.2	2.1
Glasshouse depreciation	7 747	8 433	6 196	4 353	2.9	2.4
Rent (incl. imputed)	9 590	11 527	7 670	5 950	3.6	3.3
Other costs:						
Occupier's repairs	5 049	8 023	4 038	4 141	1.9	2.3
Permanent crop depreciation	101	109	81	56	0.0	0.0
Water	2 188	2 220	1 750	1 146	0.8	0.6
Sundries	10 575	14 287	8 457	7 375	4.0	4.1
Total fixed costs	150 838	200 028	120 634	103 254	56.6	56.9
Management & investment income	12 786	7 872	10 225	4 063	4.8	2.2
Minus: management salaries	300	416	240	215	0.1	0.1
Plus: farmer & spouse labour	19 234	22 651	15 382	11 693	7.2	6.4
Net farm income	31 719	30 107	25 367	15 541	11.9	8.6
Farm business income	32 508	31 842	25 999	16 437	12.2	9.1

Crop output per cent of total crop output (%)

	Average 2005	Average 2006
Glasshouse crops		
Flowers and nursery stock	0.4	0.0
Tomatoes	47.5	44.2
Lettuce	4.8	4.8
Soft fruit	13.3	24.1
Other glasshouse crops	13.5	16.7
Outdoor crops		
Flowers and nursery stock	0.0	0.0
Vegetables	3.6	3.5
Fruit	16.6	6.7
Other outdoor crops	0.4	0.0
Total	100.0	100.0

Distribution of tenant's capital (%)

	Average 2005	Average 2006
Crops and tillages	2	2
Stores	5	6
Glasshouses	29	26
Equipment	25	27
Livestock	0	0
Other	39	39
Total	100	100
Tenant's capital (£)	172 937	221 839

Farm business income (FBI)

(distribution by number of businesses)

<i>FBI range per business</i>	Average 2005	Average 2006
Over £100,000	10	7
£50,000 to < £100,000	5	6
£25,000 to < £50,000	10	5
£12,500 to < £25,000	3	3
0 to < £12,500	4	4
-£12,500 to 0	0	3
-£25,000 to < -£12,500	1	0
-£50,000 to < -£25,000	1	1
Below -£50,000	1	2
Total	35	31

* no premium figures, sample too small

Table 2.5 Specialist glass businesses, mainly non-edible crops

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2005	2006	2005	2006	2005	2006
Number of businesses	57	58	57	58	57	58
Productive area of glass (ha)	0.6948	0.5662	0.6948	0.5662		
	<i>Average £ per business</i>		<i>Average £ per hectare</i>		<i>Average %</i>	
Gross output	367 984	282 377	529 635	498 728	100.0	100.0
Variable costs						
Seed and young plant	103 811	65 746	149 414	116 120	28.2	23.3
Fertilisers & composts	11 783	8 038	16 960	14 197	3.2	2.8
Crop protection	1 939	1 683	2 791	2 972	0.5	0.6
Market charges	10 273	6 354	14 785	11 223	2.8	2.3
Packing materials	19 088	10 696	27 473	18 891	5.2	3.8
Horticultural sundries	10 687	11 260	15 382	19 888	2.9	4.0
Glasshouse fuel	12 191	10 793	17 547	19 062	3.3	3.8
Other variable costs	0	233	0	411	0.0	0.1
Total variable costs	169 773	114 803	244 352	202 764	46.1	40.7
Total gross margin	198 212	167 573	285 283	295 965	53.9	59.3
Fixed costs						
Labour:						
Regular paid	82 445	67 686	118 662	119 546	22.4	24.0
Regular unpaid	24 615	24 480	35 429	43 236	6.7	8.7
Casual labour	13 438	8 352	19 340	14 751	3.7	3.0
Power & machinery costs:						
Contract & hire	4 348	5 410	6 258	9 555	1.2	1.9
Fuel & electricity	8 496	7 175	12 228	12 672	2.3	2.5
Repairs	5 217	4 894	7 509	8 643	1.4	1.7
Machinery depreciation	8 386	7 069	12 069	12 486	2.3	2.5
Glasshouse depreciation	9 156	6 814	13 179	12 035	2.5	2.4
Rent (incl. imputed)	6 849	7 639	9 857	13 492	1.9	2.7
Other costs:						
Occupier's repairs	4 128	3 126	5 942	5 520	1.1	1.1
Permanent crop depreciation	3	3	4	6	0.0	0.0
Water	1 420	1 355	2 044	2 393	0.4	0.5
Sundries	22 390	15 455	32 226	27 296	6.1	5.5
Total fixed costs	190 891	159 458	274 747	281 632	51.9	56.5
Management & investment income	7 321	8 115	10 536	14 333	2.0	2.9
Minus: management salaries	1 367	1 177	1 967	2 079	0.4	0.4
Plus: farmer & spouse labour	22 213	21 908	31 971	38 693	6.0	7.8
Net farm income	28 167	28 846	40 541	50 947	7.7	10.2
Farm business income	28 594	31 175	41 156	55 060	7.8	11.0

Premium businesses	<i>Per</i>	<i>Per £100 of</i>
	<i>hectare</i>	<i>gross output</i>
	2006	2006
Number of businesses	18	18
Productive area of glass (ha)	0.5662	
	<i>£ per hectare</i>	<i>Average %</i>
Gross output	606 970	100.0
Variable costs		
Seed and young plants	143 733	23.7
Fertilisers & composts	16 604	2.7
Crop protection	3 297	0.5
Market charges	11 650	1.9
Packing materials	17 164	2.8
Horticultural sundries	11 876	2.0
Glasshouse fuel	17 380	2.9
Other variable costs	0	0.0
Total variable costs	221 704	36.5
Total gross margin	385 266	63.5
Fixed costs		
Labour:		
Regular paid	161 773	26.7
Regular unpaid	13 074	2.2
Casual labour	10 668	1.8
Power & machinery costs:		
Contract & hire	19 532	3.2
Fuel & electricity	14 493	2.4
Repairs	10 397	1.7
Machinery depreciation	10 681	1.8
Glasshouse depreciation	14 136	2.3
Rent (incl. imputed)	8 489	1.4
Other costs:		
Occupier's repairs	6 813	1.1
Permanent crop depreciation	0	0.0
Water	2 024	0.3
Sundries	34 110	5.6
Total fixed costs	306 191	50.4
Management & investment income	79 075	13.0
Minus: management salaries	3 080	0.5
Plus: farmer & spouse labour	8 695	1.4
Net farm income	84 689	14.0
Farm business income	85 199	14.0

Crop output per cent of total crop output (%)

	Average	Average	Premium
	2005	2006	2006
Glasshouse crops			
Flowers and nursery stock	83.3	79.9	81.3
Tomatoes	0.1	0.3	0.0
Lettuce	0.0	0.0	0.0
Soft fruit	0.0	0.0	0.0
Other glasshouse crops	7.6	9.3	2.6
Outdoor crops			
Flowers and nursery stock	8.8	10.3	15.9
Vegetables	0.1	0.0	0.0
Fruit	0.1	0.1	0.0
Others	0.0	0.2	0.2
Total	100.0	100.0	100.0

Distribution of tenant's capital (%)

	Average	Average	Premium
	2005	2006	2006
Crops and tillages	10	9	14
Stores	8	7	9
Glasshouses	17	18	18
Equipment	25	31	21
Livestock	0	0	0
Other	40	35	38
Total	100	100	100
Tenant's capital (£)	215 805	200 038	613 275

Farm business income (FBI)

(distribution by number of businesses)

<i>FBI range per business</i>	Average	Average
	2005	2006
Over £100,000	9	9
£50,000 to < £100,000	5	9
£25,000 to < £50,000	14	13
£12,500 to < £25,000	11	14
0 to < £12,500	9	4
-£12,500 to 0	7	5
-£25,000 to < -£12,500	0	1
-£50,000 to < -£25,000	1	0
Below -£50,000	1	3
Total	57	58

Table 2.6 Specialist glass businesses (50% or more of crop output from glasshouse production)

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2005	2006	2005	2006	2005	2006
Number of businesses	80	80	80	80	80	80
Productive area of glass (ha)	0.8502	0.9558	0.8502	0.9558		
	<i>Average £ per business</i>		<i>Average £ per hectare</i>		<i>Average %</i>	
Gross output	335 344	342 279	394 413	358 090	100.0	100.0
Variable costs						
Seed and young plants	69 119	54 392	81 294	56 904	20.6	15.9
Fertilisers & composts	10 251	10 057	12 056	10 522	3.1	2.9
Crop protection	2 023	2 398	2 379	2 508	0.6	0.7
Market charges	13 785	16 152	16 213	16 898	4.1	4.7
Packing materials	16 561	14 601	19 478	15 276	4.9	4.3
Horticultural sundries	11 172	13 911	13 140	14 553	3.3	4.1
Glasshouse fuel	25 277	31 121	29 729	32 558	7.5	9.1
Other variable costs	0	12	0	13	0.0	0.0
Total variable costs	148 187	142 643	174 289	149 233	44.2	41.7
Total gross margin	187 157	199 636	220 124	208 858	55.8	58.3
Fixed costs						
Labour:						
Regular paid	73 545	83 220	86 500	87 064	21.9	24.3
Regular unpaid	23 782	26 218	27 971	27 429	7.1	7.7
Casual labour	11 574	10 125	13 612	10 592	3.5	3.0
Power & machinery costs:						
Contract & hire	3 706	4 844	4 359	5 067	1.1	1.4
Fuel & electricity	8 086	8 659	9 510	9 059	2.4	2.5
Repairs	5 106	5 548	6 005	5 805	1.5	1.6
Machinery depreciation	7 311	7 797	8 598	8 157	2.2	2.3
Glasshouse depreciation	9 567	8 710	11 252	9 112	2.9	2.5
Rent (incl. imputed)	7 665	9 480	9 015	9 918	2.3	2.8
Other costs:						
Occupier's repairs	4 641	5 935	5 458	6 209	1.4	1.7
Permanent crop depreciation	7	-29	8	-30	0.0	0.0
Water	1 727	1 911	2 031	1 999	0.5	0.6
Sundries	18 469	16 838	21 722	17 616	5.5	4.9
Total fixed costs	175 185	189 255	206 043	197 997	52.2	55.3
Management & investment income	11 972	10 381	14 081	10 861	3.6	3.0
Minus: management salaries	992	985	1 167	1 030	0.3	0.3
Plus: farmer & spouse labour	21 142	23 155	24 866	24 225	6.3	6.8
Net farm income	32 122	32 552	37 780	34 056	9.6	9.5
Farm business income	33 399	34 625	39 282	36 224	10.0	10.1

Premium businesses	<i>Per</i>	<i>Per £100 of</i>
	<i>hectare</i>	<i>gross output</i>
	2006	2006
Number of businesses	27	27
Productive area of glass (ha)	1.3803	
	<i>£ per hectare</i>	<i>Average %</i>
Gross output	499 013	100.0
Variable costs		
Seed and young plants	85 369	17.1
Fertilisers & composts	12 478	2.5
Crop protection	3 004	0.6
Market charges	19 792	4.0
Packing materials	15 400	3.1
Horticultural sundries	14 627	2.9
Glasshouse fuel	35 850	7.2
Other variable costs	0	0.0
Total variable costs	186 519	37.4
Total gross margin	312 494	62.6
Fixed costs		
Labour:		
Regular paid	125 223	25.1
Regular unpaid	16 545	3.3
Casual labour	7 735	1.6
Power & machinery costs:		
Contract & hire	11 347	2.3
Fuel & electricity	11 231	2.3
Repairs	7 855	1.6
Machinery depreciation	8 865	1.8
Glasshouse depreciation	12 855	2.6
Rent (incl. imputed)	8 355	1.7
Other costs:		
Occupier's repairs	5 660	1.1
Permanent crop depreciation	0	0.0
Water	1 737	0.3
Sundries	24 228	4.9
Total fixed costs	241 637	48.4
Management & investment income	70 857	14.2
Minus: management salaries	1 992	0.4
Plus: farmer & spouse labour	12 319	2.5
Net farm income	81 183	16.3
Farm business income	83 766	16.8

Crop output per cent of total crop output (%)

	Average	Average	Premium
	2005	2006	2006
Glasshouse crops			
Flowers and nursery stock	55.1	42.6	54.7
Tomatoes	21.3	23.2	23.4
Lettuce	2.1	2.5	0.0
Soft fruit	5.0	12.0	6.4
Other glasshouse crops	10.9	13.5	6.8
Outdoor crops			
Flowers and nursery stock	4.5	4.7	8.6
Vegetables	0.2	0.1	0.0
Fruit	1.1	1.5	0.0
Other outdoor crops	0.0	0.1	0.1
Total	100.0	100.0	100.0

Distribution of tenant's capital (%)

	Average	Average	Premium
	2005	2006	2006
Crops and tillages	3	4	5
Stores	9	7	9
Glasshouses	29	21	23
Equipment	27	28	21
Livestock	0	0	0
Other	32	40	41
Total	100	100	100
Tenant's capital (£)	214 713	246 206	473 862

Farm business income (FBI)

(distribution by number of businesses)

<i>FBI range per business</i>	Average	Average
	2005	2006
Over £100,000	17	15
£50,000 to < £100,000	9	15
£25,000 to < £50,000	21	13
£12,500 to < £25,000	12	17
0 to < £12,500	11	6
-£12,500 to 0	6	8
-£25,000 to < -£12,500	1	1
-£50,000 to < -£25,000	2	1
Below -£50,000	1	4
Total	80	80

Table 2.7 Specialist glass businesses (50% or more of crop output from glasshouse production) - mainly edible crops*

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2005	2006	2005	2006	2005	2006
Number of businesses	27	26	27	26	27	26
Productive area of glass (ha)	0.9081	1.3271	0.9081	1.3271		
	<i>Average £ per business</i>		<i>Average £ per hectare</i>		<i>Average %</i>	
Gross output	237 579	350 553	261 625	264 149	100.0	100.0
Variable costs						
Seed and young plants	11 228	20 684	12 365	15 586	4.7	5.9
Fertilisers & composts	6 975	10 928	7 681	8 234	2.9	3.1
Crop protection	1 810	2 911	1 993	2 193	0.8	0.8
Market charges	15 862	27 330	17 468	20 594	6.7	7.8
Packing materials	10 799	17 136	11 892	12 913	4.5	4.9
Horticultural sundries	9 701	13 902	10 682	10 476	4.1	4.0
Glasshouse fuel	37 758	55 122	41 580	41 536	15.9	15.7
Other variable costs	0	28	0	21	0.0	0.0
Total variable costs	94 134	148 041	103 662	111 552	39.6	42.2
Total gross margin	143 445	202 512	157 963	152 597	60.4	57.8
Fixed costs						
Labour:						
Regular paid	51 423	84 876	56 628	63 956	21.6	24.2
Regular unpaid	21 436	25 290	23 606	19 057	9.0	7.2
Casual labour	6 803	10 038	7 492	7 563	2.9	2.9
Power & machinery costs:						
Contract & hire	2 089	2 312	2 301	1 742	0.9	0.7
Fuel & electricity	6 271	8 775	6 906	6 612	2.6	2.5
Repairs	4 217	5 187	4 644	3 908	1.8	1.5
Machinery depreciation	4 778	6 965	5 261	5 248	2.0	2.0
Glasshouse depreciation	8 187	9 477	9 016	7 141	3.4	2.7
Rent (incl. imputed)	8 060	11 444	8 876	8 623	3.4	3.3
Other costs:						
Occupier's repairs	4 496	8 949	4 951	6 743	1.9	2.6
Permanent crop depreciation	11	-73	12	-55	0.0	0.0
Water	1 902	2 367	2 095	1 784	0.8	0.7
Sundries	10 361	14 884	11 410	11 215	4.4	4.2
Total fixed costs	130 034	190 490	143 195	143 539	54.7	54.3
Management & investment income	13 411	12 021	14 768	9 058	5.6	3.4
Minus: management salaries	282	341	310	257	0.1	0.1
Plus: farmer & spouse labour	19 021	22 411	20 946	16 887	8.0	6.4
Net farm income	32 150	34 092	35 404	25 689	13.5	9.7
Farm business income	34 393	35 933	37 874	27 076	14.5	10.3

Crop output per cent of total crop output (%)

	Average 2005	Average 2006
Glasshouse crops		
Flowers and nursery stock	0.2	0.0
Tomatoes	60.0	48.6
Lettuce	5.8	5.2
Soft fruit	14.1	25.2
Other glasshouse crops	16.4	17.8
Outdoor crops		
Flowers and nursery stock	0.0	0.0
Vegetables	0.3	0.2
Fruit	3.1	3.0
Other outdoor crops	0.0	0.0
Total	100.0	100.0

Distribution of tenant's capital (%)

	Average 2005	Average 2006
Crops and tillages	0	1
Stores	7	6
Glasshouses	42	25
Equipment	28	23
Livestock	0	0
Other	22	46
Total	100	100
Tenant's capital (£)	176 771	254 557

Farm business income (FBI)

(distribution by number of businesses)

<i>FBI range per business</i>	Average 2005	Average 2006
Over £100,000	8	6
£50,000 to < £100,000	4	6
£25,000 to < £50,000	8	3
£12,500 to < £25,000	2	3
0 to < £12,500	3	3
-£12,500 to 0	0	3
-£25,000 to < -£12,500	1	0
-£50,000 to < -£25,000	1	1
Below -£50,000	0	1
Total	27	26

** no premium figures, sample too small*

Table 2.8 Specialist glass businesses (50% or more of crop output from glasshouse production) - mainly non-edible crops

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2005	2006	2005	2006	2005	2006
Number of businesses	53	54	53	54	53	54
Productive area of glass (ha)	0.7996	0.6794	0.7996	0.6794		
	<i>Average £ per business</i>		<i>Average £ per hectare</i>		<i>Average %</i>	
Gross output	420 840	336 118	526 285	494 746	100.0	100.0
Variable costs						
Seed and young plants	119 745	79 494	149 748	117 010	28.5	23.7
Fertilisers & composts	13 115	9 409	16 401	13 849	3.1	2.8
Crop protection	2 209	2 016	2 762	2 967	0.5	0.6
Market charges	11 968	7 828	14 967	11 522	2.8	2.3
Packing materials	21 599	12 713	27 010	18 713	5.1	3.8
Horticultural sundries	12 458	13 917	15 580	20 485	3.0	4.1
Glasshouse fuel	14 362	13 247	17 961	19 499	3.4	3.9
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	195 456	138 624	244 430	204 046	46.4	41.2
Total gross margin	225 384	197 495	281 855	290 700	53.6	58.8
Fixed costs						
Labour:						
Regular paid	92 891	81 986	116 166	120 679	22.1	24.4
Regular unpaid	25 834	26 908	32 306	39 607	6.1	8.0
Casual labour	15 746	10 189	19 691	14 998	3.7	3.0
Power & machinery costs:						
Contract & hire	5 120	6 728	6 402	9 904	1.2	2.0
Fuel & electricity	9 673	8 572	12 097	12 617	2.3	2.6
Repairs	5 883	5 818	7 357	8 564	1.4	1.7
Machinery depreciation	9 526	8 417	11 912	12 389	2.3	2.5
Glasshouse depreciation	10 774	8 139	13 473	11 980	2.6	2.4
Rent (incl. imputed)	7 320	8 017	9 154	11 801	1.7	2.4
Other costs:						
Occupier's repairs	4 767	3 691	5 961	5 433	1.1	1.1
Permanent crop depreciation	3	4	4	6	0.0	0.0
Water	1 574	1 571	1 968	2 312	0.4	0.5
Sundries	25 560	18 294	31 964	26 927	6.1	5.4
Total fixed costs	214 670	188 335	268 457	277 217	51.0	56.0
Management & investment income	10 714	9 160	13 398	13 483	2.5	2.7
Minus: management salaries	1 613	1 464	2 018	2 155	0.4	0.4
Plus: farmer & spouse labour	22 998	23 709	28 760	34 899	5.5	7.1
Net farm income	32 098	31 405	40 141	46 227	7.6	9.3
Farm business income	32 530	33 651	40 680	49 532	7.7	10.0

Premium businesses	<i>Per hectare</i>	<i>Per £100 of gross output</i>
	2006	2006
Number of businesses	18	18
Productive area of glass (ha)	1.7364	
	<i>£ per hectare</i>	<i>Average %</i>
Gross output	577 968	100
Variable costs		
Seed and young plants	136 679	23.6
Fertilisers & composts	15 069	2.6
Crop protection	3 183	0.6
Market charges	11 129	1.9
Packing materials	15 568	2.7
Horticultural sundries	11 615	2.0
Glasshouse fuel	17 632	3.1
Other variable costs	0	0.0
Total variable costs	210 873	36.5
Total gross margin	367 095	63.5
Fixed costs		
Labour:		
Regular paid	152 327	26.4
Regular unpaid	12 878	2.2
Casual labour	10 489	1.8
Power & machinery costs:		
Contract & hire	18 935	3.3
Fuel & electricity	13 733	2.4
Repairs	9 605	1.7
Machinery depreciation	10 175	1.8
Glasshouse depreciation	13 683	2.4
Rent (incl. imputed)	7 585	1.3
Other costs:		
Occupier's repairs	6 659	1.2
Permanent crop depreciation	0	0.0
Water	1 841	0.3
Sundries	32 355	5.6
Total fixed costs	290 266	50.2
Management & investment income	76 829	13.3
Minus: management salaries	2 986	0.5
Plus: farmer & spouse labour	8 188	1.4
Net farm income	82 031	14.2
Farm business income	83 281	14.4

Crop output per cent of total crop output (%)

	Average 2005	Average 2006	Premium 2006
Glasshouse crops			
Flowers and nursery stock	85.0	81.0	83.6
Tomatoes	0.1	0.3	0.0
Lettuce	0.0	0.0	0.0
Soft fruit	0.0	0.0	0.0
Other glasshouse crops	7.8	9.6	2.7
Outdoor crops			
Flowers and nursery stock	6.9	8.9	13.5
Vegetables	0.1	0.0	0.0
Fruit	0.1	0.1	0.0
Other outdoor crops	0.0	0.1	0.2
Total	100.0	100.0	100.0

Distribution of tenant's capital (%)

	Average 2005	Average 2006	Premium 2006
Crops and tillages	6	7	11
Stores	10	9	11
Glasshouses	20	17	19
Equipment	26	32	21
Livestock	0	0	0
Other	38	36	38
Total	100	100	100
Tenant's capital (£)	247 893	239 987	658 683

Farm business income (FBI)

(distribution by number of businesses)

<i>FBI range per business</i>	Average 2005	Average 2006
Over £100,000	9	9
£50,000 to < £100,000	5	9
£25,000 to < £50,000	13	10
£12,500 to < £25,000	10	14
0 to < £12,500	8	3
-£12,500 to 0	6	5
-£25,000 to < -£12,500	0	1
-£50,000 to < -£25,000	1	0
Below -£50,000	1	3
Total	53	54

Table 2.9 Specialist glass businesses (90% or more of crop output from glasshouse production)

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2005	2006	2005	2006	2005	2006
Number of businesses	66	65	66	65	66	65
Productive area of glass (ha)	0.9321	0.8863	0.9321	0.8863		
	<i>Average £ per business</i>		<i>Average £ per hectare</i>		<i>Average %</i>	
Gross output	368 234	339 857	395 050	383 466	100.0	100.0
Variable costs						
Seed and young plants	73 099	48 906	78 422	55 181	19.9	14.4
Fertilisers & composts	11 868	10 881	12 732	12 277	3.2	3.2
Crop protection	2 379	2 476	2 552	2 794	0.6	0.7
Market charges	15 263	18 145	16 375	20 473	4.1	5.3
Packing materials	17 368	14 889	18 633	16 799	4.7	4.4
Horticultural sundries	13 433	14 667	14 411	16 550	3.6	4.3
Glasshouse fuel	33 410	38 959	35 843	43 958	9.1	11.5
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	166 820	148 922	178 968	168 032	45.3	43.8
Total gross margin	201 414	190 935	216 082	215 435	54.7	56.2
Fixed costs						
Labour:						
Regular paid	80 131	79 859	85 967	90 106	21.8	23.5
Regular unpaid	22 115	25 032	23 726	28 244	6.0	7.4
Casual labour	13 306	10 505	14 275	11 853	3.6	3.1
Power & machinery costs:						
Contract & hire	1 712	998	1 836	1 126	0.5	0.3
Fuel & electricity	7 457	7 886	8 000	8 898	2.0	2.3
Repairs	5 220	4 829	5 600	5 449	1.4	1.4
Machinery depreciation	8 201	8 122	8 798	9 164	2.2	2.4
Glasshouse depreciation	10 120	10 160	10 857	11 464	2.7	3.0
Rent (incl. imputed)	8 162	9 676	8 757	10 918	2.2	2.8
Other costs:						
Occupier's repairs	5 261	6 661	5 644	7 516	1.4	2.0
Permanent crop depreciation	0	0	0	0	0.0	0.0
Water	1 786	1 808	1 917	2 040	0.5	0.5
Sundries	17 325	15 415	18 587	17 393	4.7	4.5
Total fixed costs	180 797	180 952	193 963	204 171	49.1	53.2
Management & investment income	20 617	9 983	22 119	11 264	5.6	2.9
Minus: management salaries	739	669	792	755	0.2	0.2
Plus: farmer & spouse labour	19 244	21 853	20 646	24 657	5.2	6.4
Net farm income	39 123	31 167	41 972	35 166	10.6	9.2
Farm business income	40 757	33 591	43 726	37 901	11.1	9.9

Premium businesses	<i>Per</i>	<i>Per £100 of</i>
	<i>hectare</i>	<i>gross output</i>
	2006	2006
Number of businesses	22	22
Productive area of glass (ha)	1.2867	
	<i>£ per hectare</i>	<i>Average %</i>
Gross output	423 677	100.0
Variable costs		
Seed and young plants	57 148	13.5
Fertilisers & composts	12 513	3.0
Crop protection	2 878	0.7
Market charges	23 841	5.6
Packing materials	14 502	3.4
Horticultural sundries	15 966	3.8
Glasshouse fuel	40 379	9.5
Other variable costs	0	0.0
Total variable costs	167 228	39.5
Total gross margin	256 450	60.5
Fixed costs		
Labour:		
Regular paid	102 352	24.2
Regular unpaid	17 554	4.1
Casual labour	6 583	1.6
Power & machinery costs:		
Contract & hire	1 252	0.3
Fuel & electricity	7 411	1.7
Repairs	4 946	1.2
Machinery depreciation	8 811	2.1
Glasshouse depreciation	14 214	3.4
Rent (incl. imputed)	7 191	1.7
Other costs:		
Occupier's repairs	5 832	1.4
Permanent crop depreciation	0	0.0
Water	1 406	0.3
Sundries	16 804	4.0
Total fixed costs	194 357	45.9
Management & investment income	62 092	14.7
Minus: management salaries	752	0.2
Plus: farmer & spouse labour	13 609	3.2
Net farm income	74 950	17.7
Farm business income	77 908	18.4

Crop output per cent of total crop output (%)

	Average	Average	Premium
	2005	2006	2006
Glasshouse crops			
Flowers and nursery stock	54.8	41.8	46.9
Tomatoes	26.5	31.8	34.0
Lettuce	2.6	3.4	0.0
Soft fruit	3.2	5.2	9.2
Other glasshouse crops	12.7	17.7	9.8
Outdoor crops			
Flowers and nursery stock	0.3	0.1	0.0
Vegetables	0.0	0.0	0.0
Fruit	0.0	0.0	0.0
Other outdoor crops	0.0	0.0	0.0
Total	100.0	100.0	100.0

Distribution of tenant's capital (%)

	Average	Average	Premium
	2005	2006	2006
Crops and tillages	4	4	4
Stores	7	8	10
Glasshouses	31	25	24
Equipment	22	25	21
Livestock	0	0	0
Other	36	39	42
Total	100	100	100
Tenant's capital (£)	245 959	257 273	439 610

Farm business income (FBI)

(distribution by number of businesses)

<i>FBI range per business</i>	Average	Average
	2005	2006
Over £100,000	16	12
£50,000 to < £100,000	8	14
£25,000 to < £50,000	18	11
£12,500 to < £25,000	9	12
0 to < £12,500	7	4
–£12,500 to 0	5	7
–£25,000 to < –£12,500	1	1
–£50,000 to < –£25,000	1	1
Below –£50,000	1	3
Total	66	65

Table 2.10 Specialist glass businesses (90% or more of crop output from glasshouse production) - mainly edible crops*

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2005	2006	2005	2006	2005	2006
Number of businesses	23	22	23	22	23	22
Productive area of glass (ha)	0.8834	1.1075	0.8834	1.1075		
	<i>Average £ per business</i>		<i>Average £ per hectare</i>		<i>Average %</i>	
Gross output	271 112	378 594	306 900	341 839	100.0	100.0
Variable costs						
Seed and young plants	11 892	18 418	13 462	16 630	4.4	4.9
Fertilisers & composts	8 110	11 312	9 180	10 213	3.0	3.0
Crop protection	2 074	2 844	2 348	2 568	0.8	0.8
Market charges	17 775	28 006	20 121	25 287	6.6	7.4
Packing materials	12 021	16 653	13 608	15 036	4.4	4.4
Horticultural sundries	10 525	14 270	11 914	12 884	3.9	3.8
Glasshouse fuel	46 063	67 678	52 144	61 108	17.0	17.9
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	108 460	159 181	122 777	143 727	40.0	42.0
Total gross margin	162 652	219 414	184 123	198 112	60.0	58.0
Fixed costs						
Labour:						
Regular paid	59 414	87 692	67 256	79 179	21.9	23.2
Regular unpaid	18 531	23 081	20 977	20 840	6.8	6.1
Casual labour	7 397	11 311	8 373	10 213	2.7	3.0
Power & machinery costs:						
Contract & hire	2 190	1 413	2 480	1 275	0.8	0.4
Fuel & electricity	6 991	9 414	7 914	8 500	2.6	2.5
Repairs	4 565	5 190	5 168	4 687	1.7	1.4
Machinery depreciation	5 250	7 314	5 943	6 604	1.9	1.9
Glasshouse depreciation	9 823	11 211	11 119	10 122	3.6	3.0
Rent (incl. imputed)	8 222	11 645	9 307	10 515	3.0	3.1
Other costs:						
Occupier's repairs	5 280	9 817	5 977	8 863	1.9	2.6
Permanent crop depreciation	0	0	0	0	0.0	0.0
Water	2 025	2 273	2 292	2 052	0.7	0.6
Sundries	11 805	16 598	13 363	14 987	4.4	4.4
Total fixed costs	141 490	196 958	160 168	177 837	52.2	52.0
Management & investment income	21 162	22 456	23 955	20 276	7.8	5.9
Minus: management salaries	346	423	391	382	0.1	0.1
Plus: farmer & spouse labour	15 680	19 940	17 750	18 004	5.8	5.3
Net farm income	36 497	41 973	41 315	37 898	13.5	11.1
Farm business income	39 183	44 219	44 355	39 926	14.5	11.7

Crop output per cent of total crop output (%)

	Average 2005	Average 2006
Glasshouse crops		
Flowers and nursery stock	0.3	0.0
Tomatoes	68.4	62.0
Lettuce	6.7	6.6
Soft fruit	8.2	10.2
Other glasshouse crops	16.5	21.2
Outdoor crops		
Flowers and nursery stock	0.0	0.0
Vegetables	0.0	0.0
Fruit	0.0	0.0
Other outdoor crops	0.0	0.0
Total	100.0	100.0

Distribution of tenant's capital (%)

	Average 2005	Average 2006
Crops and tillages	0	0
Stores	6	5
Glasshouses	49	31
Equipment	24	21
Livestock	0	0
Other	21	42
Total	100	100
Tenant's capital (£)	191 336	263 223

Farm business income (FBI)

(distribution by number of businesses)

<i>FBI range per business</i>	Average 2005	Average 2006
Over £100,000	8	6
£50,000 to < £100,000	3	6
£25,000 to < £50,000	7	3
£12,500 to < £25,000	1	2
0 to < £12,500	2	1
-£12,500 to 0	0	3
-£25,000 to < -£12,500	1	0
-£50,000 to < -£25,000	1	1
Below -£50,000	0	0
Total	23	22

** no premium figures, sample too small*

Table 2.11 Specialist glass businesses (90% or more of crop output from glasshouse production) - mainly non-edible crops

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2005	2006	2005	2006	2005	2006
Number of businesses	43	43	43	43	43	43
Productive area of glass (ha)	0.9837	0.7059	0.9837	0.7059		
	<i>Average £ per business</i>		<i>Average £ per hectare</i>		<i>Average %</i>	
Gross output	471 041	308 270	478 844	436 726	100.0	100.0
Variable costs						
Seed and young plants	137 887	73 767	140 171	104 505	29.3	23.9
Fertilisers & composts	15 846	10 529	16 109	14 917	3.4	3.4
Crop protection	2 701	2 175	2 746	3 082	0.6	0.7
Market charges	12 605	10 104	12 814	14 314	2.7	3.3
Packing materials	23 029	13 451	23 410	19 056	4.9	4.4
Horticultural sundries	16 511	14 992	16 784	21 239	3.5	4.9
Glasshouse fuel	20 017	15 540	20 348	22 015	4.2	5.0
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	228 596	140 558	232 382	199 128	48.5	45.6
Total gross margin	242 445	167 713	246 461	237 598	51.5	54.4
Fixed costs						
Labour:						
Regular paid	102 062	73 471	103 753	104 087	21.7	23.8
Regular unpaid	25 910	26 623	26 339	37 717	5.5	8.6
Casual labour	19 562	9 847	19 886	13 951	4.2	3.2
Power & machinery costs:						
Contract & hire	1 205	660	1 225	935	0.3	0.2
Fuel & electricity	7 950	6 641	8 082	9 408	1.7	2.2
Repairs	5 913	4 534	6 011	6 424	1.3	1.5
Machinery depreciation	11 325	8 781	11 512	12 440	2.4	2.8
Glasshouse depreciation	10 435	9 304	10 608	13 181	2.2	3.0
Rent (incl. imputed)	8 100	8 071	8 234	11 434	1.7	2.6
Other costs:						
Occupier's repairs	5 241	4 088	5 327	5 791	1.1	1.3
Permanent crop depreciation	0	0	0	0	0.0	0.0
Water	1 534	1 428	1 560	2 024	0.3	0.5
Sundries	23 169	14 450	23 553	20 472	4.9	4.7
Total fixed costs	222 404	167 900	226 089	237 864	47.2	54.5
Management & investment income	20 041	-187	20 373	-266	4.3	-0.1
Minus: management salaries	1 154	869	1 174	1 232	0.2	0.3
Plus: farmer & spouse labour	23 017	23 412	23 398	33 168	4.9	7.6
Net farm income	41 903	22 355	42 597	31 670	8.9	7.3
Farm business income	42 424	24 924	43 127	35 309	9.0	8.1

Premium businesses	Per hectare	Per £100 of gross output
	2006	2006
Number of businesses	15	15
Productive area of glass (ha)	1.4570	
	<i>£ per hectare</i>	<i>Average %</i>
Gross output	464 700	100.0
Variable costs		
Seed and young plants	112 928	24.3
Fertilisers & composts	15 878	3.4
Crop protection	3 431	0.7
Market charges	15 198	3.3
Packing materials	14 860	3.2
Horticultural sundries	11 174	2.4
Glasshouse fuel	18 440	4.0
Other variable costs	0	0.0
Total variable costs	191 911	41.3
Total gross margin	272 789	58.7
Fixed costs		
Labour:		
Regular paid	114 298	24.6
Regular unpaid	15 733	3.4
Casual labour	8 900	1.9
Power & machinery costs:		
Contract & hire	316	0.1
Fuel & electricity	6 530	1.4
Repairs	5 052	1.1
Machinery depreciation	10 528	2.3
Glasshouse depreciation	16 895	3.6
Rent (incl. imputed)	7 299	1.6
Other costs:		
Occupier's repairs	7 272	1.6
Permanent crop depreciation	0	0.0
Water	1 307	0.3
Sundries	19 621	4.2
Total fixed costs	213 751	46.0
Management & investment income	59 038	12.7
Minus: management salaries	699	0.2
Plus: farmer & spouse labour	10 795	2.3
Net farm income	69 133	14.9
Farm business income	71 460	15.4

Crop output per cent of total crop output (%)

	Average 2005	Average 2006	Premium 2006
Glasshouse crops			
Flowers and nursery stock	89.0	85.3	95.1
Tomatoes	0.2	0.4	0.0
Lettuce	0.0	0.0	0.0
Soft fruit	0.0	0.0	0.0
Other glasshouse crops	10.3	14.1	4.9
Outdoor crops			
Flowers and nursery stock	0.5	0.3	0.1
Vegetables	0.0	0.0	0.0
Fruit	0.0	0.0	0.0
Other outdoor crops	0.0	0.0	0.0
Total	100.0	100.0	100.0

Distribution of tenant's capital (%)

	Average 2005	Average 2006	Premium 2006
Crops and tillages	6	7	12
Stores	9	10	13
Glasshouses	19	19	19
Equipment	20	28	20
Livestock	0	0	0
Other	46	35	37
Total	100	100	100
Tenant's capital (£)	303 779	241 340	575.578

Farm business income (FBI)

(distribution by number of businesses)

FBI range per business	Average 2005	Average 2006
Over £100,000	8	6
£50,000 to < £100,000	5	8
£25,000 to < £50,000	11	8
£12,500 to < £25,000	8	10
0 to < £12,500	5	3
–£12,500 to 0	5	4
–£25,000 to < –£12,500	0	1
–£50,000 to < –£25,000	0	0
Below –£50,000	1	3
Total	43	43

Table 2.12 All specialist fruit businesses

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2005	2006	2005	2006	2005	2006
Number of businesses	37	43	37	43	37	43
Productive area of business (ha)	31.27	32.70	31.27	32.70		
	<i>Average £ per business</i>		<i>Average £ per hectare</i>		<i>Average %</i>	
Gross output	193 862	172 387	6 199	5 271	100.0	100.0
Variable costs						
Seed and young plants	1 643	2 599	53	79	0.8	1.5
Fertilisers & composts	1 423	2 015	46	62	0.7	1.2
Crop protection	9 629	8 256	308	252	5.0	4.8
Market charges	28 968	18 154	926	555	14.9	10.5
Packing materials	23 845	16 516	763	505	12.3	9.6
Horticultural sundries	8 236	11 155	263	341	4.2	6.5
Glasshouse fuel	51	113	2	3	0.0	0.1
Other variable costs	500	1 065	16	33	0.3	0.6
Total variable costs	74 296	59 873	2 376	1 831	38.3	34.7
Total gross margin	119 566	112 514	3 823	3 441	61.7	65.3
Fixed costs						
Labour:						
Regular paid	31 682	19 853	1 013	607	16.3	11.5
Regular unpaid	15 683	16 047	501	491	8.1	9.3
Casual labour	22 298	25 445	713	778	11.5	14.8
Power & machinery costs:						
Contract & hire	3 427	4 873	110	149	1.8	2.8
Fuel & electricity	5 760	5 292	184	162	3.0	3.1
Repairs	6 122	5 040	196	154	3.2	2.9
Machinery depreciation	7 482	6 452	239	197	3.9	3.7
Glasshouse depreciation	15	3	0	0	0.0	0.0
Rent (incl. imputed)	13 472	14 505	431	444	6.9	8.4
Other costs:						
Occupier's repairs	2 838	2 941	91	90	1.5	1.7
Permanent crop depreciation	2 588	2 196	83	67	1.3	1.3
Water	744	921	24	28	0.4	0.5
Sundries	12 036	10 791	385	330	6.2	6.3
Total fixed costs	124 148	114 360	3 970	3 497	64.0	66.3
Management & investment income	-4 582	-1 847	-147	-56	-2.4	-1.1
Minus: management salaries	657	569	21	17	0.3	0.3
Plus: farmer & spouse labour	13 399	13 928	428	426	6.9	8.1
Net farm income	8 160	11 512	261	352	4.2	6.7
Farm business income	14 140	17 923	452	548	7.3	10.4

Premium businesses	<i>Per hectare</i>	<i>Per £100 of gross output</i>
	2006	2006
Number of businesses	15	15
Productive area of business (ha)	52.52	
	<i>£ per hectare</i>	<i>Average %</i>
Gross output	6 198	100.0
Variable costs		
Seed and young plants	25	0.4
Fertilisers & composts	68	1.1
Crop protection	275	4.4
Market charges	689	11.1
Packing materials	548	8.8
Horticultural sundries	502	8.1
Glasshouse fuel	4	0.1
Other variable costs	43	0.7
Total variable costs	2 155	34.8
Total gross margin	4 044	65.2
Fixed costs		
Labour:		
Regular paid	548	8.8
Regular unpaid	312	5.0
Casual labour	859	13.9
Power & machinery costs:		
Contract & hire	210	3.4
Fuel & electricity	168	2.7
Repairs	143	2.3
Machinery depreciation	199	3.2
Glasshouse depreciation	0	0.0
Rent (incl. imputed)	428	6.9
Other costs:		
Occupier's repairs	119	1.9
Permanent crop depreciation	64	1.0
Water	18	0.3
Sundries	326	5.3
Total fixed costs	3 394	54.8
Management & investment income	650	10.5
Minus: management salaries	32	0.5
Plus: farmer & spouse labour	256	4.1
Net farm income	873	14.1
Farm business income	1 159	18.7

Crop output per cent of total crop output (%)

	Average 2005	Average 2006	Premium 2006
Top fruit			
Dessert apples and pears	43.5	44.3	56.3
Culinary apples	22.5	11.7	6.7
Plums	4.6	4.0	5.9
Other top fruit	14.8	7.9	6.4
Soft fruit			
Strawberries	2.0	6.3	6.0
Raspberries	1.5	11.4	2.0
Blackcurrants	1.2	3.1	5.5
Other soft fruit	9.3	8.3	6.8
Other crops	0.6	3.0	4.3
Total	100	100	100

Distribution of tenant's capital (%)

	Average 2005	Average 2006	Premium 2006
Crops and tillages	22	21	21
Stores	3	2	1
Glasshouses	0	0	0
Equipment	38	36	33
Livestock	3	4	0
Other	34	37	44
Total	100	100	100
Tenant's capital (£)	183 656	144 621	275 241

Farm business income (FBI)

(distribution by number of businesses)

<i>FBI range per business</i>	Average 2005	Average 2006
Over £100,000	1	5
£50,000 to < £100,000	4	3
£25,000 to < £50,000	9	8
£12,500 to < £25,000	5	5
0 to < £12,500	9	11
-£12,500 to 0	4	6
-£25,000 to < -£12,500	4	2
-£50,000 to < -£25,000	0	2
Below -£50,000	1	1
Total	37	43

Table 2.13 Specialist fruit businesses, mainly top fruit*

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2005	2006	2005	2006	2005	2006
Number of businesses	24	25	24	25	24	25
Productive area of business (ha)	38.16	25.81	38.16	25.81		
	<i>Average £ per business</i>		<i>Average £ per hectare</i>		<i>Average %</i>	
Gross output	254 708	155 143	6 675	6 012	100.0	100.0
Variable costs						
Seed and young plants	320	198	8	8	0.1	0.1
Fertilisers & composts	2 004	1 190	53	46	0.8	0.8
Crop protection	13 970	8 589	366	333	5.5	5.5
Market charges	41 372	22 637	1 084	877	16.2	14.6
Packing materials	39 378	17 782	1 032	689	15.5	11.5
Horticultural sundries	8 645	7 146	227	277	3.4	4.6
Glasshouse fuel	65	180	2	7	0.0	0.1
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	105 755	57 722	2 772	2 237	41.5	37.2
Total gross margin	148 953	97 421	3 904	3 775	58.5	62.8
Fixed costs						
Labour:						
Regular paid	39 963	17 434	1 047	676	15.7	11.2
Regular unpaid	14 915	14 759	391	572	5.9	9.5
Casual labour	32 482	18 725	851	726	12.8	12.1
Power & machinery costs:						
Contract & hire	2 877	5 664	75	219	1.1	3.7
Fuel & electricity	8 179	5 492	214	213	3.2	3.5
Repairs	7 608	4 142	199	161	3.0	2.7
Machinery depreciation	10 488	6 364	275	247	4.1	4.1
Glasshouse depreciation	9	7	0	0	0.0	0.0
Rent (incl. imputed)	17 538	15 140	460	587	6.9	9.8
Other costs:						
Occupier's repairs	3 550	2 548	93	99	1.4	1.6
Permanent crop depreciation	3 384	2 269	89	88	1.3	1.5
Water	780	457	20	18	0.3	0.3
Sundries	13 972	8 716	366	338	5.5	5.6
Total fixed costs	155 744	101 716	4 082	3 942	61.1	65.6
Management & investment income	-6 791	-4 295	-178	-166	-2.7	-2.8
Minus: management salaries	1 181	199	31	8	0.5	0.1
Plus: farmer & spouse labour	13 167	13 409	345	520	5.2	8.6
Net farm income	5 195	8 914	136	345	2.0	5.7
Farm business income	12 207	14 720	320	570	4.8	9.5

Crop output per cent of total crop output (%)

	Average 2005	Average 2006
Top fruit		
Dessert apples and pears	49.3	56.2
Culinary apples	25.3	22.0
Plums	5.1	6.6
Other top fruit	19.6	14.1
Soft fruit		
Strawberries	0.0	0.8
Raspberries	0.0	0.0
Blackcurrants	0.0	0.0
Other soft fruit	0.6	0.1
Other crops	0.2	0.3
Total	100	100

Distribution of tenant's capital (%)

	Average 2005	Average 2006
Crops and tillages	29	28
Stores	2	2
Glasshouses	0	0
Equipment	37	41
Livestock	0	0
Other	32	29
Total	100	100
Tenant's capital (£)	256 028	142 303

Farm business income (FBI)

(distribution by number of businesses)

<i>FBI range per business</i>	Average 2005	Average 2006
Over £100,000	1	2
£50,000 to < £100,000	1	0
£25,000 to < £50,000	6	6
£12,500 to < £25,000	4	3
0 to < £12,500	5	8
-£12,500 to 0	4	3
-£25,000 to < -£12,500	2	1
-£50,000 to < -£25,000	0	2
Below -£50,000	1	0
Total	24	25

** no premium figures, sample too small*

Table 2.14 All specialist hardy nursery stock businesses

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2005	2006	2005	2006	2005	2006
Number of businesses	45	44	45	44	45	44
Productive area of business (ha)	10.23	10.41	10.23	10.41		
	<i>Average £ per business</i>		<i>Average £ per hectare</i>		<i>Average %</i>	
Gross output	356 224	347 198	34 828	33 343	100.0	100.0
Variable costs						
Seed and young plants	97 099	89 475	9 493	8 593	27.3	25.8
Fertilisers & composts	10 767	9 507	1 053	913	3.0	2.7
Crop protection	3 510	3 058	343	294	1.0	0.9
Market charges	8 588	10 019	840	962	2.4	2.9
Packing materials	5 956	4 713	582	453	1.7	1.4
Horticultural sundries	14 667	16 563	1 434	1 591	4.1	4.8
Glasshouse fuel	1 533	1 609	150	155	0.4	0.5
Other variable costs	0	212	0	20	0.0	0.1
Total variable costs	142 121	135 156	13 895	12 980	39.9	38.9
Total gross margin	214 104	212 041	20 933	20 364	60.1	61.1
Fixed costs						
Labour:						
Regular paid	99 405	89 354	9 719	8 581	27.9	25.7
Regular unpaid	17 781	17 638	1 738	1 694	5.0	5.1
Casual labour	4 596	6 230	449	598	1.3	1.8
Power & machinery costs:						
Contract & hire	1 938	2 485	189	239	0.5	0.7
Fuel & electricity	7 289	6 994	713	672	2.0	2.0
Repairs	6 830	6 911	668	664	1.9	2.0
Machinery depreciation	8 797	9 336	860	897	2.5	2.7
Glasshouse depreciation	3 585	3 908	350	375	1.0	1.1
Rent (incl. imputed)	10 608	9 732	1 037	935	3.0	2.8
Other costs:						
Occupier's repairs	4 057	4 918	397	472	1.1	1.4
Permanent crop depreciation	737	2 131	72	205	0.2	0.6
Water	1 308	1 697	128	163	0.4	0.5
Sundries	20 987	19 049	2 052	1 829	5.9	5.5
Total fixed costs	187 919	180 383	18 373	17 323	52.8	52.0
Management & investment income	26 184	31 658	2 560	3 040	7.4	9.1
Minus: management salaries	71	169	7	16	0.0	0.0
Plus: farmer & spouse labour	15 154	15 384	1 482	1 477	4.3	4.4
Net farm income	41 268	46 874	4 035	4 502	11.6	13.5
Farm business income	44 395	47 361	4 340	4 548	12.5	13.6

Premium businesses	<i>Per</i>	<i>Per £100 of</i>
	<i>hectare</i>	<i>gross output</i>
	2006	2006
Number of businesses	15	15
Productive area of business (ha)	7.55	
	<i>£ per hectare</i>	<i>Average %</i>
Gross output	140 242	100.0
Variable costs		
Seed and young plants	35 445	25.3
Fertilisers & composts	3 366	2.4
Crop protection	1 068	0.8
Market charges	3 213	2.3
Packing materials	1 870	1.3
Horticultural sundries	5 968	4.3
Glasshouse fuel	657	0.5
Other variable costs	0	0.0
Total variable costs	51 588	36.8
Total gross margin	88 654	63.2
Fixed costs		
Labour:		
Regular paid	41 074	29.3
Regular unpaid	2 409	1.7
Casual labour	2 539	1.8
Power & machinery costs:		
Contract & hire	670	0.5
Fuel & electricity	2 794	2.0
Repairs	2 579	1.8
Machinery depreciation	3 380	2.4
Glasshouse depreciation	1 456	1.0
Rent (incl. imputed)	2 949	2.1
Other costs:		
Occupier's repairs	2 160	1.5
Permanent crop depreciation	13	0.0
Water	491	0.3
Sundries	6 630	4.7
Total fixed costs	69 144	49.3
Management & investment income	19 510	13.9
Minus: management salaries	119	0.1
Plus: farmer & spouse labour	1 691	1.2
Net farm income	21 082	15.0
Farm business income	21 503	15.3

Crop output per cent of total crop output (%)

	Average	Average	Premium
	2005	2006	2006
Hardy nursery stock			
Glasshouse crops	29.7	33.9	49.4
Outdoor crops	69.2	65.6	50.6
Other crops	1.1	0.5	0.0
Total	100.0	100.0	100.0

Distribution of tenant's capital (%)

	Average	Average	Premium
	2005	2006	2006
Crops and tillages	35	37	25
Stores	3	4	9
Glasshouses	5	6	11
Equipment	22	21	17
Livestock	0	0	0
Other	35	33	38
Total	100	100	100
Tenant's capital (£)	300 813	284 835	781 504

Farm business income (FBI)

(distribution by number of businesses)

<i>FBI range per business</i>	Average	Average
	2005	2006
Over £100,000	10	10
£50,000 to < £100,000	8	9
£25,000 to < £50,000	9	7
£12,500 to < £25,000	7	5
0 to < £12,500	5	6
-£12,500 to 0	1	3
-£25,000 to < -£12,500	1	0
-£50,000 to < -£25,000	1	2
Below -£50,000	3	2
Total	45	44

Table 2.15 Specialist hardy nursery stock businesses, mainly protected crops*

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2005	2006	2005	2006	2005	2006
Number of businesses	15	15	15	15	15	15
Productive area of glass (ha)	0.9502	1.0509	0.9502	1.0509		
	<i>Average £ per business</i>		<i>Average £ per hectare</i>		<i>Average %</i>	
Gross output	537 579	585 229	565 764	556 857	100.0	100.0
Variable costs						
Seed and young plants	125 043	124 695	131 599	118 650	23.3	21.3
Fertilisers & composts	16 139	18 266	16 985	17 381	3.0	3.1
Crop protection	6 919	5 734	7 282	5 456	1.3	1.0
Market charges	15 471	18 459	16 282	17 565	2.9	3.2
Packing materials	10 750	10 728	11 314	10 208	2.0	1.8
Horticultural sundries	26 453	29 151	27 840	27 737	4.9	5.0
Glasshouse fuel	6 082	5 762	6 401	5 482	1.1	1.0
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	206 857	212 795	217 702	202 479	38.5	36.4
Total gross margin	330 723	372 434	348 062	354 379	61.5	63.6
Fixed costs						
Labour:						
Regular paid	171 259	175 792	180 238	167 270	31.9	30.0
Regular unpaid	19 780	18 543	20 817	17 644	3.7	3.2
Casual labour	8 324	12 816	8 760	12 195	1.5	2.2
Power & machinery costs:						
Contract & hire	2 132	4 258	2 244	4 052	0.4	0.7
Fuel & electricity	11 133	11 630	11 717	11 066	2.1	2.0
Repairs	9 429	12 260	9 923	11 666	1.8	2.1
Machinery depreciation	11 431	13 349	12 031	12 702	2.1	2.3
Glasshouse depreciation	7 959	7 626	8 376	7 256	1.5	1.3
Rent (incl. imputed)	12 346	13 794	12 993	13 126	2.3	2.4
Other costs:						
Occupier's repairs	4 163	9 647	4 381	9 179	0.8	1.6
Permanent crop depreciation	721	0	759	0	0.1	0.0
Water	2 332	3 375	2 454	3 212	0.4	0.6
Sundries	22 906	29 656	24 107	28 218	4.3	5.1
Total fixed costs	283 914	312 747	298 800	297 585	52.8	53.4
Management & investment income	46 808	59 687	49 262	56 794	8.7	10.2
Minus: management salaries	183	715	193	680	0.0	0.1
Plus: farmer & spouse labour	14 905	14 646	15 686	13 936	2.8	2.5
Net farm income	61 530	73 619	64 756	70 050	11.4	12.6
Farm business income	62 982	74 359	66 284	70 754	11.7	12.7

Crop output per cent of total crop output (%)

	Average 2005	Average 2006
Hardy nursery stock		
Glasshouse crops	86.0	85.3
Outdoor crops	14.0	14.7
Other crops	0.0	0.0
Total	100.0	100.0

Distribution of tenant's capital (%)

	Average 2005	Average 2006
Crops and tillages	25	23
Stores	7	10
Glasshouses	13	12
Equipment	21	19
Livestock	0	0
Other	34	37
Total	100	100

Tenant's capital (£) **425 751** **471 652**

Farm business income (FBI)

(distribution by number of businesses)

<i>FBI range per business</i>	Average 2005	Average 2006
Over £100,000	6	7
£50,000 to < £100,000	1	1
£25,000 to < £50,000	2	1
£12,500 to < £25,000	1	0
0 to < £12,500	2	2
-£12,500 to 0	0	2
-£25,000 to < -£12,500	1	0
-£50,000 to < -£25,000	0	1
Below -£50,000	2	1
Total	15	15

** no premium figures, sample too small*

Table 2.16 Specialist hardy nursery stock businesses, mainly outdoor crops*

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2005	2006	2005	2006	2005	2006
Number of businesses	27	26	27	26	27	26
Productive area of business (ha)	9.99	11.19	9.99	11.19		
	<i>Average £ per business</i>		<i>Average £ per hectare</i>		<i>Average %</i>	
Gross output	326 033	291 394	32 640	26 037	100.0	100.0
Variable costs						
Seed and young plants	95 940	84 522	9 605	7 552	29.4	29.0
Fertilisers & composts	10 211	7 529	1 022	673	3.1	2.6
Crop protection	2 085	2 120	209	189	0.6	0.7
Market charges	6 071	8 013	608	716	1.9	2.7
Packing materials	4 542	2 942	455	263	1.4	1.0
Horticultural sundries	11 973	14 051	1 199	1 255	3.7	4.8
Glasshouse fuel	329	362	33	32	0.1	0.1
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	131 151	119 539	13 130	10 681	40.2	41.0
Total gross margin	194 881	171 855	19 510	15 356	59.8	59.0
Fixed costs						
Labour:						
Regular paid	85 473	66 138	8 557	5 910	26.2	22.7
Regular unpaid	17 634	17 541	1 765	1 567	5.4	6.0
Casual labour	3 077	4 206	308	376	0.9	1.4
Power & machinery costs:						
Contract & hire	1 981	1 961	198	175	0.6	0.7
Fuel & electricity	6 588	5 675	660	507	2.0	1.9
Repairs	6 302	5 460	631	488	1.9	1.9
Machinery depreciation	8 423	8 361	843	747	2.6	2.9
Glasshouse depreciation	2 644	3 079	265	275	0.8	1.1
Rent (incl. imputed)	10 356	8 719	1 037	779	3.2	3.0
Other costs:						
Occupier's repairs	4 278	3 729	428	333	1.3	1.3
Permanent crop depreciation	827	3 122	83	279	0.3	1.1
Water	1 093	1 300	109	116	0.3	0.4
Sundries	21 729	16 809	2 175	1 502	6.7	5.8
Total fixed costs	170 404	146 098	17 060	13 054	52.3	50.1
Management & investment income	24 477	25 757	2 450	2 301	7.5	8.8
Minus: management salaries	44	0	4	0	0.0	0.0
Plus: farmer & spouse labour	15 411	15 593	1 543	1 393	4.7	5.4
Net farm income	39 843	41 349	3 989	3 695	12.2	14.2
Farm business income	44 008	41 833	4 406	3 738	13.5	14.4

Crop output per cent of total crop output (%)

	Average 2005	Average 2006
Hardy nursery stock		
Glasshouse crops	3.3	4.4
Outdoor crops	96.5	95.4
Other crops	0.2	0.2
Total	100.0	100.0

Distribution of tenant's capital (%)

	Average 2005	Average 2006
Crops and tillages	36	41
Stores	2	3
Glasshouses	4	4
Equipment	23	23
Livestock	0	0
Other	36	30
Total	100	100
Tenant's capital (£)	283 750	238 242

Farm business income (FBI)

(distribution by number of businesses)

<i>FBI range per business</i>	Average 2005	Average 2006
Over £100,000	4	3
£50,000 to < £100,000	7	7
£25,000 to < £50,000	7	6
£12,500 to < £25,000	6	4
0 to < £12,500	1	3
-£12,500 to 0	1	1
-£25,000 to < -£12,500	0	0
-£50,000 to < -£25,000	0	1
Below -£50,000	1	1
Total	27	26

** no premium figures, sample too small*

Table 2.17 All other horticulture businesses*

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2005	2006	2005	2006	2005	2006
Number of businesses	29	31	29	31	29	31
Productive area of business (ha)	40.87	58.89	40.87	58.89		
	<i>Average £ per business</i>		<i>Average £ per hectare</i>		<i>Average %</i>	
Gross output	331 635	520 433	8 115	8 837	100.0	100.0
Variable costs						
Seed and young plants	38 889	50 978	952	866	11.7	9.8
Fertilisers & composts	12 395	13 562	303	230	3.7	2.6
Crop protection	8 927	12 617	218	214	2.7	2.4
Market charges	9 528	19 614	233	333	2.9	3.8
Packing materials	8 017	26 572	196	451	2.4	5.1
Horticultural sundries	23 700	46 412	580	788	7.1	8.9
Glasshouse fuel	1 576	2 894	39	49	0.5	0.6
Other variable cost	127	920	3	16	0.0	0.2
Total variable costs	103 158	173 569	2 524	2 947	31.1	33.4
Total gross margin	228 477	346 863	5 591	5 890	68.9	66.6
Fixed costs						
Labour:						
Regular paid	66 003	86 327	1 615	1 466	19.9	16.6
Regular unpaid	19 331	20 448	473	347	5.8	3.9
Casual labour	26 740	57 707	654	980	8.1	11.1
Power & machinery costs:						
Contract & hire	12 444	14 123	304	240	3.8	2.7
Fuel & electricity	10 078	14 505	247	246	3.0	2.8
Repairs	12 541	20 884	307	355	3.8	4.0
Machinery depreciation	12 575	19 197	308	326	3.8	3.7
Glasshouse depreciation	907	1 589	22	27	0.3	0.3
Rent (incl. imputed)	22 003	32 311	538	549	6.6	6.2
Other costs:						
Occupier's repairs	3 123	5 152	76	87	0.9	1.0
Permanent crop depreciation	656	1 210	16	21	0.2	0.2
Water	2 135	2 938	52	50	0.6	0.6
Sundries	15 875	24 419	388	415	4.8	4.7
Total fixed costs	204 412	300 811	5 002	5 108	61.6	57.8
Management & investment income	24 065	46 052	589	782	7.3	8.8
Minus: management salaries	634	446	16	8	0.2	0.1
Plus: farmer & spouse labour	18 261	17 428	447	296	5.5	3.3
Net farm income	41 692	63 034	1 020	1 070	12.6	12.1
Farm business income	40 640	61 315	994	1 041	12.3	11.8

Crop output per cent of total crop output (%)

	Average 2005	Average 2006
Glasshouse crops	17.1	14.8
Outdoor vegetables:		
Brassicas	13.3	15.3
Legumes	0.1	0.0
Salad crops	16.7	33.2
Other outdoor vegetables	32.0	21.8
Flowers and nursery stock	10.4	4.0
Soft fruit	3.1	3.5
Top fruit	0.4	1.1
Farm crops	6.9	6.4
Total	100.0	100.0

Distribution of tenant's capital (%)

	Average 2005	Average 2006
Crops and tillages	12	14
Stores	8	6
Glasshouses	5	3
Equipment	30	32
Livestock	1	2
Other	45	43
Total	100	100
Tenant's capital (£)	186 487	273 213

Farm business income (FBI)

(distribution by number of businesses)

<i>FBI range per business</i>	Average 2005	Average 2006
Over £100,000	5	8
£50,000 to < £100,000	4	4
£25,000 to < £50,000	6	5
£12,500 to < £25,000	3	2
0 to < £12,500	5	6
-£12,500 to 0	2	2
-£25,000 to < -£12,500	0	2
-£50,000 to < -£25,000	2	1
Below -£50,000	2	1
Total	29	31

** no premium figures, sample too small*

Table 2.18 Other horticulture businesses, mainly outdoor vegetable crops*

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2005	2006	2005	2006	2005	2006
Number of businesses	17	19	17	19	17	19
Productive area of business (ha)	60.43	84.20	60.43	84.20		
	<i>Average £ per business</i>		<i>Average £ per hectare</i>		<i>Average %</i>	
Gross output	400 161	591 779	6 622	7 028	100.0	100.0
Variable costs						
Seed and young plants	36 800	57 462	609	682	9.2	9.7
Fertilisers & composts	14 366	15 925	238	189	3.6	2.7
Crop protection	12 628	16 208	209	192	3.2	2.7
Market charges	14 069	29 622	233	352	3.5	5.0
Packing materials	12 500	39 832	207	473	3.1	6.7
Horticultural sundries	13 852	42 206	229	501	3.5	7.1
Glasshouse fuel	869	1 021	14	12	0.2	0.2
Other variable costs	0	1 554	0	18	0.0	0.3
Total variable costs	105 085	203 830	1 739	2 421	26.3	34.4
Total gross margin	295 076	387 949	4 883	4 607	73.7	65.6
Fixed costs						
Labour:						
Regular paid	67 483	88 942	1 117	1 056	16.9	15.0
Regular unpaid	18 028	21 062	298	250	4.5	3.6
Casual labour	39 554	53 614	655	637	9.9	9.1
Power & machinery costs						
Contract & hire	18 044	20 197	299	240	4.5	3.4
Fuel & electricity	13 450	16 286	223	193	3.4	2.8
Repairs	18 834	28 170	312	335	4.7	4.8
Machinery depreciation	17 222	25 947	285	308	4.3	4.4
Glasshouse depreciation	996	772	16	9	0.2	0.1
Rent (incl. imputed)	28 845	40 606	477	482	7.2	6.9
Other costs:						
Occupier's repairs	3 609	5 722	60	68	0.9	1.0
Permanent crop depreciation	261	541	4	6	0.1	0.1
Water	3 174	4 438	53	53	0.8	0.7
Sundries	18 125	20 092	300	239	4.5	3.4
Total fixed costs	247 625	326 390	4 098	3 876	61.9	55.2
Management & investment income	47 451	61 559	785	731	11.9	10.4
Minus: management salaries	1 073	680	18	8	0.3	0.1
Plus: farmer & spouse labour	17 109	18 582	283	221	4.3	3.1
Net farm income	63 487	79 461	1 051	944	15.9	13.4
Farm business income	62 280	80 552	1 031	957	15.6	13.6

Crop output per cent of total crop output (%)

	Average 2005	Average 2006
Glasshouse crops	3.3	2.1
Outdoor vegetables:		
Brassicas	18.7	17.1
Legumes	0.1	0.0
Salad crops	24.1	46.9
Other outdoor vegetables	46.0	29.2
Flowers and nursery stock	0.3	0.0
Soft fruit	0.2	0.2
Top fruit	0.1	0.1
Farm crops	7.3	4.4
Total	100.0	100.0

Distribution of tenant's capital (%)

	Average 2005	Average 2006
Crops and tillages	9	9
Stores	4	5
Glasshouses	4	3
Equipment	34	37
Livestock	1	0
Other	49	45
Total	100	100

Tenant's capital (£) **220 525** **308 965**

Farm business income (FBI)

(distribution by number of businesses)

<i>FBI range per business</i>	Average 2005	Average 2006
Over £100,000	4	6
£50,000 to < £100,000	2	2
£25,000 to < £50,000	5	3
£12,500 to < £25,000	3	2
0 to < £12,500	0	4
-£12,500 to 0	1	1
-£25,000 to < -£12,500	0	1
-£50,000 to - £25,000	1	0
Below -£50,000	1	0
Total	17	19

** no premium figures, sample too small*

Table 2.19 Balance sheet data for 2006- horticultural businesses

Group	All horticulture		Specialist glass		Specialist fruit	
	2006 Opening	2006 Closing	2006 Opening	2006 Closing	2006 Opening	2006 Closing
Number of businesses	207		89		43	
Harvest year	2006 Opening	2006 Closing	2006 Opening	2006 Closing	2006 Opening	2006 Closing
Assets						
Fixed Assets						
Land, buildings & SPS entitlements	278 794	305 231	206 366	221 357	388 982	422 713
Breeding livestock	258	378	0	0	737	992
Machinery and glasshouses	81 309	84 408	98 749	100 084	32 494	33 656
Permanent crops	11 461	12 039	2 993	3 692	37 550	41 467
Miscellaneous business assets	1 647	1 663	104	145	530	538
Total fixed assets	373 470	403 718	308 213	325 277	460 293	499 365
Current assets						
Crops and trading livestock	37 311	38 911	13 059	13 555	14 334	16 175
Goods in store	17 156	18 656	15 483	15 729	2 523	2 890
Liquid assets	79 643	80 384	65 508	75 897	42 992	44 582
Total current assets	134 110	137 950	94 050	105 180	59 850	63 648
Total assets	507 580	541 669	402 263	430 457	520 143	563 013
Liabilities						
Bank term loans	12 309	18 956	7 120	7 540	4 273	4 377
Other loans	34 230	34 904	27 538	31 238	29 766	30 127
Bank overdraft	23 478	24 732	16 496	16 756	14 154	12 859
Other short term loans	43 334	44 344	34 091	34 825	23 184	21 962
Total external liabilities	113 351	122 936	85 245	90 359	71 377	69 325
Net worth	394 229	418 733	317 017	340 098	448 766	493 689
Percentage equity (%)	77.7%	77.3%	78.8%	79.0%	86.3%	87.7%

Table 2.20 A comparison of net worth and percentage equity by farm type

	Average Assets 2006/07	Average Liabilities 2006/07	Average Net Worth 2006/07	Average % Equity 2006/07
Defra main farm type				
Lowland cattle and sheep	527 752	52 770	474 982	90.0%
Cereals	1 189 047	115 551	1 073 496	90.3%
Mixed	814 811	100 568	714 243	87.7%
General cropping	1 096 865	148 628	948 237	86.4%
Dairy	716 028	131 116	584 913	81.7%
Horticulture	524 625	118 144	406 481	77.5%
Pigs	484 176	171 255	312 921	64.6%
Poultry	510 978	182 758	328 221	64.2%
All businesses	788 258	105 407	682 851	86.6%

Group	Specialist HNS		Other horticulture	
	2006 Opening	2006 Closing	2006 Opening	2006 Closing
Number of businesses	44		31	
Harvest year	2006 Opening	2006 Closing	2006 Opening	2006 Closing
Assets				
Fixed Assets				
Land, buildings & SPS entitlements	199 770	218 137	393 897	438 057
Breeding livestock	181	372	285	325
Machinery and glasshouses	78 547	79 795	102 153	110 649
Permanent crops	4 756	4 550	10 895	10 112
Miscellaneous business assets	1 136	1 196	4 762	4 694
Total fixed assets	284 390	304 050	511 993	563 837
Current assets				
Crops and trading livestock	79 203	78 980	17 626	22 321
Goods in store	27 715	27 846	14 691	20 188
Liquid assets	93 708	90 636	99 447	95 264
Total current assets	200 626	197 462	131 764	137 773
Total assets	485 016	501 512	643 757	701 610
Liabilities				
Bank term loans	18 938	22 036	13 748	36 181
Other loans	18 621	20 874	66 170	61 856
Bank overdraft	29 762	29 402	28 566	34 973
Other short term loans	37 891	42 039	74 483	72 609
Total external liabilities	105 212	114 351	182 967	205 619
Net worth	379 804	387 161	460 791	495 991
Percentage equity (%)	78.3%	77.2%	71.6%	70.7%

Balance sheet

Table 2.19 shows the assets, liabilities, net worth and percentage equity for the beginning and end of the 2006 harvest year. Specialist fruit businesses have the highest percentage equity of the four main horticultural groups, with an average of 87.7% between the beginning and end of the year. Whereas 'other horticulture' has the lowest percentage equity with an average of 70.7% between the beginning and end of the year.

Table 2.20 shows that Horticulture's percentage equity (77.5%) is better than for pigs and poultry, but less than the other sectors of agriculture.

Appendix 1: Definitions and explanations

Costs

Expenditure plus opening valuation less closing valuation (where appropriate). Interest on borrowed capital, including bank overdrafts is not included in these calculations.

Farm Business Income (FBI)

Represents the return to all unpaid labour (farmers, spouses and others with an entrepreneurial interest in the farm business) and to all their capital invested in the farm business including land and farm buildings. It is defined as Total Farm Output (TFO) plus profit/loss on sale of assets minus cost (C): where TFO is defined as the sum of output from: crop enterprises, adjustment for disposal of previous crops, livestock enterprises, separable non-agricultural diversification, single farm payment, agri-environmental payments, other grants and subsidies, miscellaneous receipts; C is defined as variable costs plus fixed costs.

Farm crops

Comprise cereals and other non-horticultural cash crops, fodder crops and grassland.

Fixed costs

These include rent (or imputed rent), regular wages, unpaid manual labour, casual labour, power and machinery costs, glasshouse depreciation, glasshouse fuel, building and general repairs, insurance, water, office expenses and miscellaneous expenditure.

Gross output

Total revenue inclusive of marketing charges, where known, adjusted for changes in valuation of crops and tillage, and less purchases of livestock, or produce for resale. Gross output per hectare reflects the intensity of the system as well as the yields and prices obtained.

Labour

Covers not only the costs of hired labour, but also an appropriate allowance for the unpaid manual labour of the grower and members of the family.

Management and investment income

Total gross output less all costs (including the value of unpaid manual labour) other than salaried management. It represents the reward to management and use of 'tenant's capital' whether that capital is borrowed or not.

Marketing charges

Include, where known, packhouse charges, paid carriage and commission and handling charges levied on sales.

Net farm income

Represents the return to the grower and spouse for their manual labour as well as for their management and capital investment.

Occupier's repairs

This includes maintenance of glass and the associated heating equipment, as well as traditional tenant type repairs.

Per £100 gross output

Shows the relative importance of the main resources used in each unit product, and in total provide a useful measure of profitability.

Power and machinery

Include contract & hire, fuel, electricity, repairs, and an allowance for depreciation. A deduction is made for the private use of vehicles. Machinery depreciation is calculated on a 'replacement cost' basis.

Rent

In the case of an owner occupier, an imputed rent is charged in accordance with what a tenant in similar circumstances, including length of occupation, might be paying.

Standards

Average results are drawn from all holdings in a particular group.

Premium results

Premium results refer to the top third within each sample with the highest management and investment income per hectare.

Tenant's capital

Assets normally provided by tenants and includes growing crops, stores, machinery, livestock, cash, and other assets needed to run the business. Permanent crops (including orchards) and glasshouses are also generally considered to be tenant-type capital. It represents approximately the capital currently invested in the horticultural business. The difficulties involved in making any realistic assessment of tenant's capital, particularly of permanent fruit crops, should be kept in mind when interpreting these results.

Total gross margin

This is the difference between total gross output and total variable costs, and measures the contribution of the holding towards covering its fixed costs and providing for a profit.

Variable costs

These vary in direct proportion to the size of each holding enterprise and include all purchased seed & young plants, fertilisers & composts, crop protection, market charges, packing materials, horticultural sundries, and other variable costs.

Rounding

Totals are calculated from unrounded components and may not therefore be the total of the rounded components shown.

Appendix 2: Reports in this series

Reports in this series:

Crop Production in England 2006/07

Dairy Farming in England 2006/07

Hill Farming in England 2006/07

Horticulture Production in England 2006/07 (Horticultural Business Data)

Lowland Grazing Livestock Production 2006/07

Pig Production in England 2006/07

Poultry Production in England 2006/06

Details available at www.ruralbusinessresearch.co.uk

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